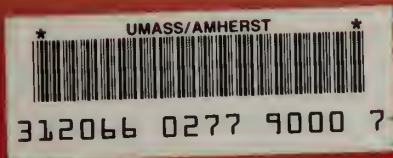


MASS. UMI. 2: M38/2



The October 1983

Massachusetts Economic Policy Analysis (MEPA)

Economic and Tax Revenue Forecasts

by

Roy Williams and Margaret Larson *



*Associate Director, and Research Assistant, respectively, of the MEPA project, Economics Department, University of Massachusetts, Amherst, MA 01003. (Tel. 413-545-0915).

Support from the Department of Public Welfare, the Division of Employment Security, the Department of Commerce and Development, the Boston Redevelopment Authority, and Massport. National inputs from CONTROL092683 and TROUBLE85092683 from Data Resources, Inc.

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The path to economic recovery in Massachusetts still appears at least as rocky as it did three months ago. Recovery in the nation already shows signs of slowing down as it matures and moves into the basic investment goods sectors. Industrial employment data for the state which were available at the time this forecast was made in October show the majority of sectors to be employing fewer people than earlier expected, even after discounting the effects of the nationwide strike of telephone workers. Our forecast for the state is therefore very little changed overall, with somewhat healthier predictions for a few durable goods sectors more than offset by weaker growth paths for several non-durable and non-manufacturing sectors. Particularly disappointing are the recent setbacks and slower forecast growth in the service sector, on which so much of the state's new job creation must depend for the long term.

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Support from the Department of Public Welfare, the Division of Employment Security, the Department of Commerce and Development, the Boston Redevelopment Authority, and Massport. National inputs from CONTROL092683 and TROUBLE85092883 from Data Resources, Inc.



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The latest evidence from the Current Population Survey sample of 1500 households in the state is no longer so discrepant from industrial data. The reported unemployment rates for September and October are more than a full point above the extraordinarily low July and August figures. We still assume that Massachusetts' participation rate will remain around 3 percentage points higher than the U.S. participation rate, so that our unemployment rate will remain about 2.5 percentage points lower than the U.S. rate.

Despite substantial growth in the near term in most sectors, total manufacturing employment will not regain its peak level, but will continue its long-term decline in share of U.S. employment, with the level itself declining again by the late 1980's. The exceptions to the general picture of declining shares are limited to the period of the current recovery and to a few high-tech sectors, in which Massachusetts is expected to retain its relatively high share. The state has its highest percentage of U.S. employment in the fast-growing office and computer machinery industry (SIC 357), with over 10% of U.S. employment. There are currently nearly 55 thousand people employed in this sector, with over five thousand new jobs expected to be created in Massachusetts over the next two years. Transportation Equipment (SIC 37) has increased in share with help from defense contracts and is forecast to hold that share. However Instruments (SIC 38) has declined in share and is not expected to regain its 1981 peak share. While Finance, Insurance & Real Estate and the service sectors are expected to create many new jobs in Massachusetts, the percentage growth of these industries is expected to be roughly parallel to corresponding U.S. growth rates, so that the shares of U.S. activity in these sectors will remain relatively stable.

Also included in this report is an alternative forecast for the state's economy, based on a different national forecast by Data Resources, Inc. DRI assigns a much lower subjective probability to this alternative, called TROUBLE85 than to that forecast labelled as the Control. TROUBLE85 presents a scenario in which national economic recovery is significantly stronger in 1984 than it is in the control forecast scenario, with higher interest rates, employment, price levels and wages. This stronger recovery is considered unsustainable, leading to trouble in late 1985, as the economy starts to contract in reaction to overheating in 1984. This pattern is repeated in the resulting forecast for Massachusetts.

OCTOBER CONTROL FORECAST (T3)

SUMMARY REPORT
 MASSACHUSETTS ECONOMIC POLICY ANALYSIS MODEL
 (Units as Indicated)

	1981	1982	1983	1984	1985
Employment--Total Nonag.*	2668	2622	2618	2700	2763
% Change	.6	-1.7	-.2	3.1	2.3
Manufacturing*	669	637	617	642	653
% Change	-.8	-4.9	-3.1	4.0	1.7
Non-Manufacturing*	1999	1985	2000	2058	2111
% Change	1.1	-.7	.8	2.9	2.6
Unemployment Rate	6.3	7.9	6.8	5.7	5.4
Employment Rate Index**	105.6	103.0	102.0	104.4	106.1
% Change	-.6	-2.5	-.9	2.4	1.6
Relative to U.S. Index**	102.7	103.1	102.9	102.6	102.6
Rate of Wage Change	8.2	7.8	4.6	4.4	4.9
Wage Index Rel. to U.S.**	92.7	93.5	93.6	93.7	93.9
Avg. Weekly Hours in Mfg.	40.1	39.4	39.9	40.4	40.3
Rate of Price Inflation	11.1	4.2	4.2	4.9	5.6
Relative to U.S. CPI**	96.7	94.9	95.8	95.6	95.7
Personal Income (mil\$)	64244	68913	72398	78397	84730
% Change	11.3	7.3	5.1	8.3	8.1
Disposable Income (mil\$)	53127	57458	61059	66295	71589
% Change	10.3	8.2	6.3	8.6	8.0
Real Per Cap. D.I. Index**	102.1	105.9	107.7	110.8	112.7
Relative to U.S.**	100.6	105.2	103.8	103.4	103.0
Rel. Business Cost Index**	95.3	95.3	95.1	95.0	95.1
Manufacturing**	94.7	94.7	95.0	95.0	95.1
<u>Non-Manufacturing**</u>	95.5	95.5	95.1	95.0	95.1

*Thousands of people.

**Indexes equal 100 in calendar 1973.

OCTOBER CONTROL FORECAST (T3)

EMPLOYMENT IN MASSACHUSETTS--INDUSTRY DETAIL
(Thousands of People)

	1981	1982	1983	1984	1985
Manufacturing	669.4	636.9	617.1	641.7	652.6
As % of U.S.	3.32	3.38	3.31	3.27	3.25
Durables	411.6	391.9	378.3	398.8	407.1
Lumber, Furntr. (24/25)	13.0	11.4	11.7	12.4	12.6
Stone, Clay, etc. (32)	12.8	11.7	10.4	10.6	10.6
Primary Metals (33)	17.2	15.4	14.5	15.4	16.1
Fabricated Metals (34)	51.5	47.3	44.9	46.9	47.5
Non-elec. Machin. (35)	109.9	104.5	100.0	108.4	111.8
Elec. Equipment (36)	112.2	111.7	108.4	112.7	113.4
Transport. Equip. (37)	33.2	30.9	33.2	36.0	37.3
Instruments (38)	61.7	59.0	55.2	56.3	57.7
Nondurables	257.9	245.0	238.9	243.0	245.5
Food (20)	25.4	24.7	24.2	23.6	23.5
Textiles (22)	24.3	20.9	21.3	21.8	21.5
Apparel (23)	39.6	37.3	36.1	37.0	38.2
Paper (26)	27.2	26.2	25.7	26.4	26.6
Printing (27)	45.1	45.5	44.1	44.7	45.5
Chemicals (28)	18.4	17.5	16.9	17.0	17.2
Rubber (30)	29.5	29.4	30.0	31.9	32.6
Leather (31)	20.9	18.6	16.9	16.2	16.0
Other Nondurables (39)	27.5	24.8	23.7	24.3	24.4
Nonmanufacturing	1998.6	1985.3	2000.5	2058.2	2110.8
Contract Construction	79.7	78.5	72.7	77.3	84.4
Transport & Utilities	120.1	118.8	114.8	114.7	114.3
Wholesale & Retail Trade	579.0	570.1	574.6	590.1	602.2
Finance, Insurance, etc.	164.8	168.2	173.6	181.5	187.3
Services & Miscellaneous	664.2	682.4	698.0	722.0	743.9
Government	391.0	367.3	366.8	372.6	378.6
Federal	57.4	55.8	55.5	56.5	58.1
State	97.4	91.7	93.0	92.5	93.2
Local	236.2	219.7	218.3	223.7	227.2
Nonag. Wage & Sal. Employ.*	2668.0	2622.2	2617.6	2699.9	2763.4
As % of U.S.	2.93	2.93	2.91	2.89	2.88

*Establishment basis (CES Survey).

OCTOBER CONTROL FORECAST (T3)

MASSACHUSETTS EMPLOYMENT, POPULATION, AND LABOR FORCE
(Thousands of People)

	1981	1982	1983	1984	1985
Nonag. Wage & Sal. Employ.*	2668.0	2622.2	2617.6	2699.9	2763.4
As % of U.S.	2.93	2.93	2.91	2.89	2.88
Plus: All Other Nonag.	164.0	172.0	177.9	187.8	192.4
Plus: Agriculture	26.6	25.7	24.9	24.7	24.7
Total Mass. Jobs	2858.6	2820.0	2820.3	2912.4	2980.5
Less: Adjustments**	86.0	43.4	22.6	24.5	36.5
Total Employment***	2772.7	2776.6	2797.8	2887.9	2944.0
As % of U.S.	2.76	2.79	2.78	2.76	2.74
Mass. Population	5774.0	5781.0	5796.4	5829.2	5861.7
As % of U.S.	2.51	2.49	2.48	2.47	2.46
Mass. Populn. 16 and Over	4439.3	4476.0	4510.7	4543.3	4575.4
Mass. Employment Rate****	60.1	58.6	58.0	59.4	60.4
Indexed to 1973	105.6	103.0	102.0	104.4	106.1
U.S. Employment Rate	52.9	51.4	51.0	52.3	53.2
Mass. Index Rel. To U.S.	102.7	103.1	102.9	102.6	102.6
Labor Force	2960.8	3015.1	3001.6	3060.9	3111.8
Participation Rate	66.7	67.4	66.5	67.4	68.0
U.S. Participation Rate	63.1	63.2	63.3	64.1	64.7
Number of Unemployed	188.1	238.5	203.8	173.0	167.8
Unemployment Rate	6.3	7.9	6.8	5.7	5.4
<u>U.S. Unemployment Rate</u>	<u>7.6</u>	<u>9.7</u>	<u>9.7</u>	<u>8.3</u>	<u>8.0</u>

*Establishment basis (CES Survey).

**Adjustments for double counting and place of residence.

***Household basis (Current Population Survey).

****Total nonag. employment divided by the population sixteen and over.

OCTOBER CONTROL FORECAST (T3)

MANUFACTURING EMPLOYMENT IN MASSACHUSETTS
(Thousands of People)

	1981	1982	1983	1984	1985
Manufacturing	669.4	636.9	617.1	641.7	652.6
As % of U.S.	3.32	3.38	3.31	3.27	3.25
Durables	411.6	391.9	378.3	398.8	407.1
Lumber, Furniture (24/25)	13.0	11.4	11.7	12.4	12.6
Stone, Clay, Glass (32)	12.8	11.7	10.4	10.6	10.6
Primary Metals (33)	17.2	15.4	14.5	15.4	16.1
Fabricated Metals (34)	51.5	47.3	44.9	46.9	47.5
Non-elec. Machin. (35)	109.9	104.5	100.0	108.4	111.8
Engines & Turbines (351)	6.4	6.0	5.5	6.0	6.4
Metalworking Mach. (354)	17.2	15.0	12.5	13.2	13.5
Spec. Industry M. (355)	16.3	14.4	12.4	12.4	12.2
Gen. Industrial M. (356)	9.0	8.2	7.0	7.1	7.2
Off. & Comput. M. (357)	48.8	49.9	52.3	57.7	59.9
Rest of Industry	12.1	11.0	10.3	11.8	12.6
Elec. Equipment (36)	112.2	111.7	108.4	112.7	113.4
Electronic Compon. (367)	50.6	52.1	52.4	56.0	57.1
Rest of Industry	61.6	59.6	56.0	56.7	56.4
Transport. Equip. (37)	33.2	30.9	33.2	36.0	37.3
Mot. Vehicles & P. (371)	5.7	4.1	4.8	6.0	6.0
Aircraft & Parts (372)	10.3	9.9	9.7	10.0	10.6
Rest of Industry	17.2	16.8	18.7	20.0	20.6
Instruments (38)	61.7	59.0	55.2	56.3	57.7
Meas. & Control (382)	23.2	22.3	20.5	20.9	21.7
Rest of Industry	38.6	36.7	34.6	35.4	36.0
Nondurables	257.9	245.0	238.9	243.0	245.5
Food (20)	25.4	24.7	24.2	23.6	23.5
Textiles (22)	24.3	20.9	21.3	21.8	21.5
Apparel (23)	39.6	37.3	36.1	37.0	38.2
Paper (26)	27.2	26.2	25.7	26.4	26.6
Printing (27)	45.1	45.5	44.1	44.7	45.5
Chemicals (28)	18.4	17.5	16.9	17.0	17.2
Synthet. Materials (282)	5.5	5.0	4.5	4.6	4.7
Rest of Industry	12.8	12.5	12.4	12.4	12.5
Rubber (30)	29.5	29.4	30.0	31.9	32.6
Leather (31)	20.9	18.6	16.9	16.2	16.0
Other Nondurables (39)	27.5	24.8	23.7	24.3	24.4

OCTOBER CONTROL FORECAST (T3)

EMPLOYMENT IN MASSACHUSETTS AS A PER CENT OF U.S. EMPLOYMENT

	1981	1982	1983	1984	1985
Durables	3.40	3.53	3.47	3.44	3.41
Lumber (24)	.79	.76	.70	.66	.66
Furniture (25)	1.66	1.58	1.55	1.52	1.51
Stone, Clay, Glass (32)	2.01	2.03	1.81	1.75	1.72
Primary Metals (33)	1.54	1.67	1.73	1.70	1.69
Fabricated Metals (34)	3.24	3.29	3.22	3.17	3.12
Non-elec. Machin. (35)	4.40	4.62	4.79	4.73	4.64
Engines & Turbines (351)	4.80	5.32	5.38	5.23	5.10
Metalworking Mach. (354)	4.76	4.77	4.50	4.35	4.17
Spec. Industry M. (355)	8.21	8.15	7.75	7.39	7.06
Gen. Industrial M. (356)	2.79	2.85	2.76	2.68	2.61
Off. & Comput. M. (357)	10.62	10.51	10.92	11.26	11.20
Rest of Industry Group	1.19	1.23	1.26	1.28	1.29
Elec. Equipment (36)	5.36	5.54	5.35	5.31	5.27
Electronic Compon. (367)	9.07	9.29	8.89	8.81	8.82
Rest of Industry Group	4.01	4.10	3.89	3.82	3.75
Transport. Equip. (37)	1.75	1.77	1.87	1.93	1.96
Mot. Vehicles & P. (371)	.73	.59	.63	.72	.74
Aircraft & Parts (372)	1.60	1.65	1.66	1.71	1.73
Rest of Industry Group	3.70	3.83	4.32	4.39	4.35
Instruments (38)	8.46	8.24	7.97	8.01	8.01
Meas. & Control (382)	8.98	9.08	8.60	8.53	8.65
Rest of Industry Group	8.17	7.81	7.65	7.73	7.67
Nondurables	3.20	3.16	3.08	3.04	3.02
Food (20)	1.52	1.51	1.48	1.44	1.42
Textiles (22)	2.95	2.79	2.85	2.78	2.72
Apparel (23)	3.18	3.21	3.08	2.97	2.97
Paper (26)	3.95	3.96	3.91	3.89	3.84
Printing (27)	3.56	3.58	3.44	3.39	3.39
Chemicals (28)	1.66	1.62	1.59	1.59	1.60
Synthet. Materials (282)	2.82	2.68	2.49	2.49	2.51
Rest of Industry Group	1.41	1.40	1.41	1.40	1.41
Rubber (30)	4.00	4.20	4.14	4.12	4.12
Leather (31)	8.78	8.42	7.81	7.41	7.28
Other Nondurables (39)	6.73	6.42	6.20	6.23	6.20
Nonmanufacturing	2.86	2.85	2.85	2.83	2.82
Contract Construction	1.90	2.01	1.84	1.77	1.83
Transport & Utilities	2.32	2.34	2.34	2.31	2.28
Wholesale & Retail Trade	2.82	2.79	2.80	2.80	2.78
Finance, Insurance, etc.	3.11	3.15	3.18	3.20	3.18
Services & Miscellaneous	3.57	3.58	3.54	3.48	3.46
Government	2.44	2.32	2.33	2.34	2.34
Federal	2.07	2.04	2.03	2.04	2.04
State & Local	2.52	2.38	2.39	2.41	2.40

OCTOBER CONTROL FORECAST (T3)

PERSONAL INCOME IN MASSACHUSETTS
(Millions of Dollars)

	1981	1982	1983	1984	1985
INCOME BY PLACE OF WORK					
Wage & Sal. Disbursements	40435	42791	44853	48538	52087
Other Labor Income	3823	4297	4668	5193	5663
Proprietors' Income	2468	2481	2834	3277	3646
Total Labor & Propr. Inc.	46726	49569	52355	57008	61396
Breakdown by Industry:					
Farm	118	113	99	103	109
Manufacturing	13833	14348	14855	16396	17539
Durables	9792	10218	10609	11802	12655
Nondurables	4042	4131	4246	4594	4884
Construction	1820	1961	1895	2110	2419
Trade	7320	7651	7978	8637	9279
Finance, Ins., & R.E.	3058	3402	3802	4169	4518
Transportation & Util.	3027	3218	3286	3471	3658
Services & Misc.	10979	12173	13269	14491	15725
Government	6572	6704	7171	7630	8150
Federal	1608	1672	1719	1831	1977
State & Local	4965	5032	5453	5799	6173

DERIVATION OF PERSONAL INCOME BY PLACE OF RESIDENCE

Total L&P, Place of Work	46726	49569	52355	57008	61396
Less: Soc. Insr. Contr.	2663	2881	3046	3430	3742
Plus: Residence Adjmt.	-317	-352	-361	-389	-417
Plus: Div., Int., & Rent	11073	12293	12787	14129	15705
Plus: Transfer Payments	9423	10284	10662	11078	11787
State Unempl. Benefits	354	489	478	424	431
All Other Transfers	9070	9795	10184	10654	11356
Personal Inc., Pl of Res.	64244	68913	72398	78397	84730
Less: Fed. Income Tax	8130	8343	7994	8429	9161
Less: Mass. Income Tax	2224	2426	2588	2865	3122
Less: Other Mass. Taxes	764	687	757	809	857
Dispos. P.I., Pl of Res.	53127	57458	61059	66295	71589
Boston CPI, 1967 = 100	266.6	277.7	289.4	303.6	320.6
Real D.P.I., '67 Dollars	19926	20686	21097	21832	22328
Real D.P.I., Per Capita	3.451	3.578	3.640	3.745	3.809
% Change	-1.3	3.7	1.7	2.9	1.7

OCTOBER CONTROL FORECAST (T3)

SUMMARY REPORT

MASSACHUSETTS EARNED FAMILY INCOME DISTRIBUTION MODEL
OF ANNUALIZED WORKING-PERIOD EARNINGS

	1981	1982	1983	1984	1985
Per Cent of Families with Female Head					
	18.15	18.79	19.43	20.06	20.69
Per Cent of Named Group without Earnings					
All Families	9.57	10.26	10.20	9.68	9.43
Male Headed Fams.	5.02	5.40	5.14	4.84	4.77
Female Headed Fams.	30.08	31.26	31.21	28.95	27.33
No. of Families (000)					
With Earnings	1208.2	1203.5	1198.8	1195.5	1190.5
Without Earnings	1092.6	1080.0	1076.4	1079.8	1078.2
	115.6	123.5	122.3	115.7	112.3
Average Earnings of All Families					
In Nominal Dollars	30267	32154	33836	36718	39567
In 1972 Dollars	14430	14715	14860	15368	15685
Average Earnings of Those with Earnings					
In Nominal Dollars	33471	35832	37681	40650	43688
In 1972 Dollars	15957	16397	16548	17014	17318
Total Earnings (mil \$)	36566	38696	40562	43894	47103
Displaced Log-Normal Parameters (Families with Earnings)					
Gini Coefficient	.3279	.3328	.3384	.3380	.3398
Displacement	.5197	.6082	.5459	.4794	.4637
Standard Deviation	.3866	.3702	.3923	.4097	.4165
Mean -- Nom. \$ Dist.	10.76	10.89	10.90	10.92	10.98
Mean -- 1972 \$ Dist.	10.02	10.11	10.07	10.05	10.05

EXPLANATORY VARIABLES

Population 18 thru 64	3583.7	3601.9	3620.3	3643.3	3661.7
Tot. Nonag. Employment	2668.0	2622.2	2617.6	2699.9	2763.4
M & R Emp. (% of Tot.)	29.59	28.82	27.96	28.02	27.75
Female Employment	1112.7	1104.8	1111.0	1145.1	1172.1
As % of Popul. 18-64	31.05	30.67	30.69	31.43	32.01
Unemployment Rate	6.3	7.9	6.8	5.7	5.4
Wage/Sal Disbursements	40435	42791	44853	48538	52087
WSD per Employee	15.155	16.320	17.135	17.975	18.848
Wage Acceleration	NA	NA	NA	NA	NA
C.P.I. (Boston)	266.6	277.7	289.4	303.6	320.6

OCTOBER CONTROL FORECAST (T3)

PER CENT OF MASSACHUSETTS FAMILIES
WITH EARNED FAMILY INCOME IN GIVEN NOMINAL DOLLAR CLASSES
(MEFID MODEL OF ANNUALIZED WORKING-PERIOD EARNINGS)

	1981	1982	1983	1984	1985
EARNINGS CLASS: (Nominal Dollars)					
\$0	9.57	10.26	10.20	9.68	9.43
1 and over	90.43	89.74	89.80	90.32	90.57
\$1 - 999	.66	.91	.87	.69	.67
1000 - 1999	.30	.32	.31	.26	.24
2000 - 2999	.38	.40	.38	.32	.29
3000 - 3999	.48	.48	.46	.39	.35
4000 - 4999	.59	.57	.54	.46	.41
5000 - 5999	.71	.66	.63	.54	.48
6000 - 6999	.83	.76	.72	.62	.55
7000 - 7999	.95	.86	.81	.70	.62
8000 - 8999	1.08	.96	.91	.79	.70
9000 - 9999	1.21	1.06	1.00	.88	.78
10000 - 10999	1.33	1.16	1.09	.96	.85
11000 - 11999	1.45	1.25	1.18	1.05	.93
12000 - 12999	1.56	1.35	1.27	1.13	1.00
13000 - 13999	1.66	1.43	1.35	1.21	1.07
14000 - 14999	1.75	1.51	1.43	1.28	1.14
15000 - 19999	9.81	8.55	8.05	7.32	6.55
20000 - 24999	10.60	9.48	8.97	8.33	7.59
25000 - 34999	19.50	18.40	17.67	16.97	15.97
35000 - 49999	19.42	20.09	20.04	20.38	20.33
50000 and over	16.15	19.55	22.13	26.06	30.06
20000 and over	65.67	67.52	68.80	71.74	73.95
\$0 - 1000	10.23	11.17	11.07	10.37	10.11
0 - 2000	10.53	11.49	11.38	10.63	10.34
0 - 4000	11.40	12.37	12.22	11.33	10.98
0 - 6000	12.70	13.59	13.39	12.33	11.87
0 - 9000	15.56	16.17	15.82	14.45	13.74
0 - 12000	19.54	19.63	19.10	17.33	16.29
0 - 15000	24.51	23.93	23.14	20.94	19.50
0 - 20000	34.33	32.48	31.20	28.26	26.05
0 - 25000	44.93	41.95	40.16	36.59	33.64
0 - 35000	64.43	60.36	57.83	53.56	49.61
0 - 50000	83.85	80.45	77.87	73.94	69.94

OCTOBER CONTROL FORECAST (T3)

SUMMARY REPORT

MASSACHUSETTS ECONOMIC POLICY ANALYSIS MODEL

(Seasonally Adjusted Annual Rates, Units as Indicated)

	1982:1	1982:2	1982:3	1982:4	1983:1	1983:2
Employment--Total Nonag.*	2643	2626	2607	2613	2614	2606
% Change	-3.1	-2.6	-2.9	1.1	.1	-1.2
Manufacturing*	656	646	629	617	609	613
% Change	-6.7	-5.9	-10.2	-7.3	-4.9	2.8
Non-Manufacturing*	1987	1980	1978	1996	2005	1993
% Change	-1.8	-1.6	-.4	3.8	1.7	-2.4
Unemployment Rate	7.5	8.4	8.1	7.6	7.8	6.8
Employment Rate Index**	104.1	103.2	102.3	102.3	102.1	101.6
% Change	-3.8	-3.4	-3.6	.2	-.7	-1.9
Relative to U.S. Index**	102.9	102.8	102.9	103.8	103.9	103.0
Rate of Wage Change	3.6	11.8	9.9	5.1	1.4	4.2
Wage Index Rel. to U.S.**	92.2	93.4	94.3	94.3	93.4	93.6
Avg. Weekly Hours in Mfg.	39.6	39.7	39.0	39.2	38.9	40.1
Rate of Price Inflation	-2.4	1.8	12.2	5.7	2.0	1.4
Relative to U.S. CPI**	94.8	94.0	95.0	95.8	96.4	95.7
Personal Income (mil\$)	66927	68354	69571	70801	71068	71762
% Change	1.2	8.8	7.3	7.3	1.5	4.0
Disposable Income (mil\$)	55591	56827	58166	59249	59660	60216
% Change	2.4	9.2	9.8	7.7	2.8	3.8
Real Per Cap. D.I. Index**	104.7	106.5	105.9	106.4	106.6	107.1
Relative to U.S.**	103.9	105.8	105.8	105.3	104.3	104.0
Rel. Business Cost Index**	94.7	95.2	95.6	95.8	95.2	95.1
Manufacturing**	94.2	94.4	95.0	95.4	95.0	95.1
<u>Non-Manufacturing**</u>	94.9	95.5	95.9	95.9	95.3	95.2

*Thousands of people.

**Indexes equal 100 in calendar 1973.

OCTOBER CONTROL FORECAST (T3)

SUMMARY REPORT

MASSACHUSETTS ECONOMIC POLICY ANALYSIS MODEL

(Seasonally Adjusted Annual Rates, Units as Indicated)

	1983:3	1983:4	1984:1	1984:2	1984:3	1984:4
Employment--Total Nonag.*	2605	2644	2673	2692	2708	2726
% Change	-.1	6.1	4.5	2.8	2.4	2.7
Manufacturing*	618	628	637	641	643	646
% Change	3.0	6.8	5.5	2.7	1.4	1.8
Non-Manufacturing*	1988	2016	2037	2051	2065	2080
% Change	-1.1	5.9	4.2	2.8	2.7	3.0
Unemployment Rate	6.3	6.3	5.8	5.7	5.6	5.5
Employment Rate Index**	101.4	102.8	103.7	104.2	104.7	105.2
% Change	-1.0	5.5	3.7	2.1	1.7	2.0
Relative to U.S. Index**	102.2	102.5	102.7	102.6	102.6	102.7
Rate of Wage Change	2.7	3.4	4.9	5.3	5.1	5.6
Wage Index Rel. to U.S.**	93.6	93.6	93.7	93.7	93.7	93.8
Avg. Weekly Hours in Mfg.	40.1	40.3	40.4	40.4	40.3	40.3
Rate of Price Inflation	4.0	4.9	5.7	5.5	5.1	5.1
Relative to U.S. CPI**	95.6	95.5	95.5	95.6	95.6	95.6
Personal Income (mil\$)	72453	74308	76219	77641	79078	80648
% Change	3.9	10.6	10.7	7.7	7.6	8.2
Disposable Income (mil\$)	61451	62907	64545	65707	66838	68089
% Change	8.5	9.8	10.8	7.4	7.1	7.7
Real Per Cap. D.I. Index**	108.0	109.2	110.3	110.6	111.0	111.5
Relative to U.S.**	103.4	103.5	103.6	103.4	103.3	103.3
Rel. Business Cost Index**	95.0	95.0	95.0	95.0	95.0	95.0
Manufacturing**	95.0	95.0	95.0	95.0	95.0	95.0
<u>Non-Manufacturing**</u>	95.1	95.0	95.0	95.0	95.0	95.1

*Thousands of people.

**Indexes equal 100 in calendar 1973.

OCTOBER CONTROL FORECAST (T3)

EMPLOYMENT IN MASSACHUSETTS--INDUSTRY DETAIL
(Thousands of People, Seasonally Adjusted)

	1982:1	1982:2	1982:3	1982:4	1983:1	1983:2
Manufacturing	655.8	645.9	628.8	616.9	609.2	613.3
As % of U.S.	3.38	3.39	3.37	3.38	3.34	3.32
Durables	404.4	398.7	388.6	376.0	371.4	373.6
Lumber, Furntr. (24/25)	11.9	11.6	11.0	11.2	11.3	11.7
Stone, Clay, etc. (32)	12.2	12.1	11.5	11.1	10.3	10.4
Primary Metals (33)	16.6	15.9	14.9	14.1	14.3	14.5
Fabricated Metals (34)	49.7	48.2	46.1	45.1	44.4	44.0
Non-elec. Machin. (35)	107.2	105.0	104.6	101.3	98.2	96.9
Elec. Equipment (36)	113.2	113.9	111.2	108.5	106.9	108.3
Transport. Equip. (37)	32.1	31.4	31.6	28.3	30.3	32.5
Instruments (38)	61.5	60.6	57.7	56.3	55.8	55.2
Nondurables	251.4	247.2	240.2	241.0	237.8	239.8
Food (20)	24.8	24.2	24.5	25.3	24.8	24.2
Textiles (22)	22.1	21.3	19.8	20.5	20.9	21.2
Apparel (23)	38.3	38.4	35.2	37.4	36.1	37.5
Paper (26)	26.9	26.1	25.9	25.9	25.3	25.5
Printing (27)	46.4	45.8	45.2	44.4	44.7	43.7
Chemicals (28)	18.0	17.6	17.4	17.1	16.9	17.0
Rubber (30)	30.0	29.6	29.4	28.8	28.8	29.9
Leather (31)	19.2	19.3	18.3	17.8	17.4	17.1
Other Nondurables (39)	25.8	25.0	24.6	23.8	22.9	23.7
Nonmanufacturing	1987.4	1979.6	1977.8	1996.5	2005.1	1993.0
Contract Construction	83.7	77.4	75.6	77.4	79.7	70.3
Transport & Utilities	119.5	119.7	117.8	118.2	117.9	118.1
Wholesale & Retail Trade	572.3	570.7	571.9	565.4	571.1	569.8
Finance, Insurance, etc.	165.9	168.2	170.9	167.8	169.0	171.5
Services & Miscellaneous	680.3	677.5	677.2	694.7	701.8	696.5
Government	365.7	366.1	364.4	372.9	365.6	366.9
Federal	56.7	55.7	55.3	55.5	55.9	55.1
State	91.2	90.9	90.7	94.1	94.4	94.0
Local	217.8	219.5	218.3	223.3	215.3	217.8
Nonag. Wage & Sal. Employ.*	2643.2	2625.6	2606.6	2613.4	2614.2	2606.3
As % of U.S.	2.93	2.92	2.92	2.94	2.94	2.91

*Establishment basis (CES Survey).

OCTOBER CONTROL FORECAST (T3)

EMPLOYMENT IN MASSACHUSETTS--INDUSTRY DETAIL
(Thousands of People, Seasonally Adjusted)

	1983:3	1983:4	1984:1	1984:2	1984:3	1984:4
Manufacturing	617.9	628.1	636.6	640.9	643.2	646.2
As % of U.S.	3.29	3.29	3.29	3.28	3.27	3.26
Durables	380.1	388.1	394.9	398.3	399.9	402.0
Lumber, Furntr. (24/25)	11.8	12.1	12.3	12.4	12.4	12.5
Stone, Clay, etc. (32)	10.4	10.5	10.6	10.6	10.6	10.6
Primary Metals (33)	14.5	14.8	15.1	15.3	15.5	15.7
Fabricated Metals (34)	45.3	46.0	46.6	46.8	47.1	47.2
Non-elec. Machin. (35)	101.1	103.8	106.7	108.2	108.9	109.7
Elec. Equipment (36)	107.7	110.6	112.4	112.9	112.7	112.9
Transport. Equip. (37)	34.7	35.2	35.6	35.9	36.1	36.4
Instruments (38)	54.6	55.1	55.6	56.1	56.5	56.9
Nondurables	237.8	240.0	241.7	242.7	243.3	244.1
Food (20)	23.9	23.7	23.7	23.6	23.5	23.5
Textiles (22)	21.4	21.7	21.9	21.9	21.9	21.8
Apparel (23)	34.9	35.7	36.4	36.9	37.2	37.6
Paper (26)	26.0	26.1	26.3	26.4	26.4	26.5
Printing (27)	43.8	44.1	44.4	44.6	44.8	45.1
Chemicals (28)	16.8	16.9	17.0	17.0	17.1	17.1
Rubber (30)	30.4	31.0	31.5	31.8	32.0	32.2
Leather (31)	16.6	16.5	16.4	16.2	16.2	16.1
Other Nondurables (39)	24.1	24.3	24.3	24.3	24.3	24.3
Nonmanufacturing	1987.6	2016.2	2036.8	2051.1	2064.8	2080.1
Contract Construction	69.0	71.7	74.3	76.4	78.2	80.2
Transport & Utilities	108.5	114.7	114.9	114.7	114.6	114.6
Wholesale & Retail Trade	576.7	580.7	585.3	588.3	591.5	595.3
Finance, Insurance, etc.	176.2	177.7	179.5	180.7	182.1	183.7
Services & Miscellaneous	690.4	703.3	712.4	719.2	725.0	731.5
Government	366.8	368.1	370.5	371.8	373.4	374.8
Federal	55.7	55.4	55.8	56.2	56.7	57.1
State	91.9	91.8	92.3	92.4	92.6	92.7
Local	219.2	220.9	222.4	223.2	224.1	225.1
Nonag. Wage & Sal. Employ.*	2605.5	2644.4	2673.5	2692.1	2708.0	2726.3
As % of U.S.	2.89	2.89	2.90	2.89	2.89	2.89

*Establishment basis (CES Survey).

OCTOBER CONTROL FORECAST (T3)

MASSACHUSETTS EMPLOYMENT, POPULATION, AND LABOR FORCE
(Thousands of People, Seasonally Adjusted)

	1982:1	1982:2	1982:3	1982:4	1983:1	1983:2
Nonag. Wage & Sal. Employ.*	2643.2	2625.6	2606.6	2613.4	2614.2	2606.3
As % of U.S.	2.93	2.92	2.92	2.94	2.94	2.91
Plus: All Other Nonag.	166.1	171.3	175.8	175.0	173.4	174.0
Plus: Agriculture	25.5	26.3	25.5	25.5	24.7	25.4
Total Mass. Jobs	2834.8	2823.1	2808.0	2813.9	2812.3	2805.7
Less: Adjustments**	70.2	62.1	-5.4	46.6	78.2	9.2
Total Employment***	2764.7	2761.0	2813.3	2767.3	2734.1	2796.5
As % of U.S.	2.77	2.77	2.82	2.79	2.76	2.80
Mass. Population	5779.0	5780.0	5782.0	5783.0	5785.1	5792.5
As % of U.S.	2.50	2.49	2.49	2.48	2.48	2.48
Mass. Populn. 16 and Over	4463.3	4471.7	4480.0	4489.0	4498.1	4506.3
Mass. Employment Rate****	59.2	58.7	58.2	58.2	58.1	57.8
Indexed to 1973	104.1	103.2	102.3	102.3	102.1	101.6
U.S. Employment Rate	52.0	51.6	51.1	50.7	50.5	50.8
Mass. Index Rel. To U.S.	102.9	102.8	102.9	103.8	103.9	103.0
Labor Force	2988.7	3014.7	3061.0	2996.0	2966.4	3000.0
Participation Rate	67.0	67.4	68.3	66.7	65.9	66.6
U.S. Participation Rate	62.9	63.2	63.3	63.3	62.9	63.1
Number of Unemployed	224.0	253.7	247.7	228.7	232.2	203.5
Unemployment Rate	7.5	8.4	8.1	7.6	7.8	6.8
<u>U.S. Unemployment Rate</u>	8.8	9.4	10.0	10.7	10.4	10.1

*Establishment basis (CES Survey).

**Adjustments for double counting and place of residence.

***Household basis (Current Population Survey).

****Total nonag. employment divided by the population sixteen and over.

OCTOBER CONTROL FORECAST (T3)

MASSACHUSETTS EMPLOYMENT, POPULATION, AND LABOR FORCE
(Thousands of People, Seasonally Adjusted)

	1983:3	1983:4	1984:1	1984:2	1984:3	1984:4
Nonag. Wage & Sal. Employ.*	2605.5	2644.4	2673.5	2692.1	2708.0	2726.3
As % of U.S.	2.89	2.89	2.90	2.89	2.89	2.89
Plus: All Other Nonag.	180.6	183.5	185.8	187.2	188.4	189.8
Plus: Agriculture	24.7	24.7	24.7	24.7	24.7	24.7
Total Mass. Jobs	2810.7	2852.6	2883.9	2904.0	2921.1	2940.8
Less: Adjustments**	-14.0	17.0	20.0	23.0	26.0	29.0
Total Employment***	2824.7	2835.6	2863.9	2881.0	2895.1	2911.8
As % of U.S.	2.78	2.76	2.76	2.76	2.75	2.75
Mass. Population	5801.0	5807.2	5816.5	5825.4	5833.3	5841.6
As % of U.S.	2.47	2.47	2.47	2.47	2.46	2.46
Mass. Populn. 16 and Over	4515.9	4522.4	4531.1	4539.5	4547.2	4555.3
Mass. Employment Rate****	57.7	58.5	59.0	59.3	59.6	59.8
Indexed to 1973	101.4	102.8	103.7	104.2	104.7	105.2
U.S. Employment Rate	51.1	51.6	51.9	52.2	52.5	52.7
Mass. Index Rel. To U.S.	102.2	102.5	102.7	102.6	102.6	102.7
Labor Force	3014.1	3025.9	3040.2	3054.5	3067.9	3081.0
Participation Rate	66.7	66.9	67.1	67.3	67.5	67.6
U.S. Participation Rate	63.5	63.6	63.8	64.0	64.2	64.3
Number of Unemployed	189.4	190.3	176.3	173.5	172.8	169.3
Unemployment Rate	6.3	6.3	5.8	5.7	5.6	5.5
<u>U.S. Unemployment Rate</u>	<u>9.5</u>	<u>9.0</u>	<u>8.6</u>	<u>8.4</u>	<u>8.2</u>	<u>8.1</u>

*Establishment basis (CES Survey).

**Adjustments for double counting and place of residence.

***Household basis (Current Population Survey).

****Total nonag. employment divided by the population sixteen and over.

Data Resources Summary Table for the U.S. Economy: History and CONTROL092683

	1983				1984				1985			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
GNP and Its Components Billions of Dollars - SAAR												
Total Consumption.....	2073.0	2147.0	2182.1	2234.2	2284.3	2333.7	2380.2	2424.8	2472.5	2520.5	2568.5	2618.4
Nonres. Fixed Investment.....	332.1	336.3	343.0	351.5	361.5	372.1	383.5	395.7	408.5	421.7	434.8	448.5
Res. Fixed Investment.....	111.3	128.4	141.0	145.9	145.6	147.8	152.6	158.4	161.8	163.6	164.2	164.5
Inventory Investment.....	-39.4	-14.5	15.0	23.9	20.5	26.9	34.1	37.2	37.6	37.3	37.9	37.9
Net Exports.....	17.0	-8.5	-20.0	-17.3	-17.4	-19.1	-21.7	-23.9	-26.5	-27.2	-28.0	-29.3
Federal Purchases.....	273.5	273.7	280.3	281.4	303.3	312.5	319.4	327.9	334.7	342.8	350.1	362.9
State and Local Govt. Purchases.....	404.0	409.7	417.6	425.7	434.3	443.8	453.4	462.6	472.4	482.2	492.2	502.1
Gross National Product.....	3171.5	3272.0	3359.1	3445.3	3532.1	3617.8	3701.6	3782.6	3860.9	3940.9	4019.7	4105.1
Real GNP (1972 Dollars).....	1490.1	1525.1	1551.0	1570.2	1588.8	1607.2	1624.5	1638.4	1650.3	1661.9	1672.5	1682.3
Prices and Wages - Annual Rates of Change												
Implicit Price Deflator.....	5.5	3.3	3.8	5.3	5.4	5.1	5.0	5.4	5.4	5.5	5.5	6.3
CPI - All Urban Consumers.....	-0.4	4.2	4.6	5.3	5.6	5.2	5.1	5.1	5.8	5.5	5.4	5.8
Producer Price Index - Finished Goods	-2.6	0.8	3.7	5.4	5.7	5.5	5.3	5.4	6.3	6.1	6.0	6.7
Compensation per Hour.....	7.0	4.3	3.7	5.8	7.2	5.9	6.2	6.5	7.1	6.6	6.5	6.8
Core Inflation.....	7.5	6.9	6.4	5.9	5.6	5.4	5.3	5.2	5.2	5.1	5.2	5.2
Production and Other Key Measures												
Industrial Production (1967=1.000)...	1.385	1.444	1.505	1.532	1.555	1.572	1.594	1.614	1.633	1.653	1.670	1.686
Annual Rate of Change.....	9.9	18.3	17.9	7.3	6.4	4.4	5.7	5.0	4.8	4.9	4.3	3.9
Housing Starts (Mil. Units).....	1.694	1.683	1.830	1.717	1.687	1.741	1.790	1.796	1.768	1.717	1.660	1.607
Retail Unit Car Sales (Mil. Units)...	8.4	9.2	9.4	10.0	10.3	10.6	10.8	10.8	10.8	10.8	10.8	10.9
National Unemployment Rate (%).....	10.2	10.0	9.3	8.9	8.5	8.3	8.1	8.0	7.9	7.9	7.9	7.9
Federal Budget Surplus (NIA).....	-183.3	-166.1	-196.7	-194.1	-195.0	-197.6	-193.0	-195.7	-205.9	-208.5	-208.9	-215.0
Money and Interest Rates												
Money Supply (M-2).....	2043.6	2095.1	2148.6	2190.7	2236.8	2294.7	2344.7	2396.0	2439.4	2489.1	2539.4	2586.4
% Change, 4th-Qtr. to 4th-Qtr....	12.4	13.2	13.1	12.6	9.5	9.5	9.1	9.4	9.1	8.5	8.3	7.9
New AA Corp. Utility Rate (%).....	12.23	11.77	12.34	12.45	12.31	11.86	11.81	11.87	11.97	12.05	12.09	12.16
New High-Grade Corp. Bond Rate (%)...	11.22	10.58	11.94	11.98	11.80	11.36	11.31	11.37	11.46	11.54	11.58	11.64
Federal Funds Rate (%).....	8.65	8.80	9.42	9.58	9.26	9.12	8.88	9.18	9.28	9.46	9.52	9.65
Prime Rate (%).....	10.88	10.50	10.76	11.00	11.00	10.90	10.50	10.50	10.80	11.01	11.30	11.50
Incomes - Billions of Dollars												
Personal Income.....	2657.8	2713.6	2762.1	2836.3	2905.4	2965.0	3025.9	3088.0	3154.8	3220.3	3291.0	3359.0
Real Disposable Income (%Ch).....	2.9	3.5	7.3	5.6	5.0	3.4	3.0	2.9	4.4	2.9	3.0	2.2
Saving Rate (%).....	5.4	4.0	5.1	5.3	5.5	5.4	5.3	5.4	5.8	5.9	6.0	6.0
Profits Before Tax.....	169.7	203.3	221.2	232.6	243.2	252.7	263.2	273.1	280.4	288.1	295.6	303.3
Profits After Tax.....	108.2	127.2	141.0	147.3	154.1	161.8	167.6	173.3	179.0	185.4	191.1	197.5
Company Profits.....	89.7	101.0	114.2	119.1	122.0	124.7	127.6	130.5	133.3	135.7	138.2	141.5
Four-Qtr. Percent Change.....	-0.9	11.1	25.7	43.0	36.0	23.5	11.8	9.6	9.3	8.8	8.3	8.4
Composition of Real GNP - Annual Rates of Change												
Gross National Product.....	2.6	9.7	7.0	5.1	4.8	4.7	4.4	3.5	2.9	2.8	2.6	2.4
Final Sales.....	0.6	6.8	3.7	4.1	5.3	4.1	3.7	3.2	3.0	3.0	2.6	2.4
Total Consumption.....	2.9	10.0	2.2	5.0	3.8	3.9	3.2	2.6	2.5	2.5	2.3	2.2
Nonres. Fixed Investment.....	-1.5	8.0	7.1	7.8	8.2	8.0	7.7	7.8	7.7	7.4	6.8	6.5
Equipment.....	5.0	19.8	8.7	9.1	9.6	9.1	8.3	8.3	8.0	7.7	7.1	7.0
Nonres. Construction.....	-13.9	-14.9	3.2	4.7	4.9	5.3	6.4	6.7	7.0	6.7	5.9	5.3
Res. Fixed Investment.....	57.7	78.6	42.3	10.0	-5.9	0.1	6.4	8.1	1.5	-2.6	-5.5	-6.2
Exports.....	2.4	-3.2	4.3	6.0	3.5	3.7	4.1	5.2	5.4	5.3	4.9	5.2
Imports.....	12.1	26.6	11.3	8.0	7.1	6.4	5.9	5.7	5.9	5.1	4.5	4.2
Federal Government.....	-17.9	-2.7	6.4	-6.3	30.4	7.9	4.4	1.7	3.1	4.6	3.4	3.5
State and Local Governments.....	-1.6	0.0	2.4	2.3	2.1	2.3	2.7	2.0	2.1	1.7	1.7	1.2

Summary Tables

Data Resources Summary Table for the U.S. Economy: History and Control092683

	Years											
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
GNP and Its Components Billions of Dollars - SAAR												
Total Consumption.....	888.1	976.4	1084.3	1204.5	1346.5	1507.2	1668.1	1857.2	1991.9	2159.1	2355.7	2545.0
Nonres. Fixed Investment.....	156.6	157.8	174.1	205.3	248.9	290.2	308.8	352.2	348.3	340.7	378.2	428.4
Res. Fixed Investment.....	58.0	55.3	72.0	95.8	111.3	118.5	102.9	104.3	90.8	131.6	151.1	163.5
Inventory Investment.....	14.1	-6.9	11.8	23.0	26.4	14.3	-9.8	18.4	-24.6	-3.8	29.7	37.7
Net Exports.....	13.4	26.8	13.8	-4.0	-1.1	13.2	23.9	26.3	17.4	-7.2	-20.5	-27.7
Federal Purchases.....	111.0	122.7	129.2	143.4	153.6	168.3	197.1	229.3	258.7	277.2	315.8	347.6
State and Local Govt. Purchases.....	193.1	217.2	232.9	250.4	278.3	306.0	340.8	366.5	390.5	414.3	448.5	487.2
Gross National Product.....	1434.2	1549.2	1718.0	1918.3	2163.8	2417.8	2631.7	2954.1	3073.0	3312.0	3658.5	3981.7
Real GNP (1972 Dollars).....	1246.3	1231.7	1298.2	1369.7	1438.5	1479.4	1475.0	1513.8	1485.4	1534.1	1614.7	1666.7
Prices and Wages - Annual Rates of Change												
Implicit Price Deflator.....	8.9	9.2	5.2	5.8	7.4	8.7	9.2	9.4	6.0	4.3	5.0	5.4
CPI - All Urban Consumers.....	11.0	9.2	5.7	6.5	7.6	11.3	13.5	10.3	6.2	3.2	5.2	5.4
Producer Price Index - Finished Goods	15.3	10.8	4.4	6.5	7.8	11.1	13.4	9.3	4.0	1.9	5.0	5.9
Compensation per Hour.....	9.4	9.6	8.1	7.6	8.6	9.0	10.4	9.7	7.9	5.7	5.9	6.6
Core Inflation.....	6.1	8.3	8.2	7.9	8.2	8.7	9.5	9.7	8.7	6.7	5.4	5.2
Production and Other Key Measures												
Industrial Production (1967=1.000)...	1.293	1.178	1.304	1.381	1.461	1.525	1.470	1.509	1.386	1.467	1.584	1.661
Annual Rate of Change.....	-0.3	-8.9	10.7	5.9	5.8	4.4	-3.6	2.6	-8.1	5.8	8.0	4.8
Housing Starts (Mil. Units).....	1.332	1.160	1.535	1.962	2.001	1.717	1.300	1.100	1.059	1.731	1.754	1.638
Retail Unit Car Sales (Mil. Units)...	8.8	8.5	10.0	11.0	11.2	10.6	9.0	8.5	8.0	9.2	10.6	10.8
National Unemployment Rate (%).....	5.5	8.3	7.6	6.9	6.0	5.8	7.1	7.5	9.6	9.6	8.2	7.9
Federal Budget Surplus (NIA).....	-11.5	-69.3	-53.1	-45.9	-29.5	-16.1	-61.3	-62.2	-147.1	-185.1	-195.4	-209.6
Money and Interest Rates												
Money Supply (M-2).....	904.5	1014.0	1149.1	1277.9	1380.1	1492.3	1626.5	1779.8	1944.7	2190.7	2396.0	2586.4
% Change, 4th-Qtr. to 4th-Qtr.....	5.9	12.1	13.3	11.2	8.0	8.1	9.0	9.4	9.3	12.6	9.4	7.9
New AA Corp. Utility Rate (%).....	9.41	9.45	8.67	8.33	9.09	10.24	13.14	16.25	15.13	12.20	11.96	12.07
New High-Grade Corp. Bond Rate (%)...	8.96	9.01	8.33	8.06	8.88	9.85	12.47	15.01	13.89	11.43	11.46	11.55
Federal Funds Rate (%).....	10.50	5.82	5.05	5.54	7.93	11.19	13.36	16.38	12.26	9.11	9.11	9.48
Prime Rate (%).....	10.80	7.86	6.84	6.82	9.06	12.67	15.27	18.87	14.86	10.79	10.72	11.15
Incomes - Billions of Dollars												
Personal Income.....	1168.6	1265.0	1391.3	1540.5	1732.7	1951.2	2165.3	2435.0	2578.7	2742.5	2996.1	3256.3
Real Disposable Income (%Ch).....	-0.8	2.0	3.6	4.0	4.9	2.7	0.6	3.2	0.5	3.2	4.6	3.3
Saving Rate (%).....	8.5	8.6	6.9	5.9	6.1	5.9	6.0	6.6	5.8	5.0	5.4	5.9
Profits Before Tax.....	136.7	132.2	166.3	194.7	229.1	252.7	234.6	226.9	174.2	206.7	258.0	291.8
Profits After Tax.....	85.1	81.5	102.5	122.0	145.9	165.1	149.8	144.1	115.1	130.9	164.2	188.2
Company Profits.....	56.1	51.2	64.4	72.6	82.5	105.9	104.3	107.3	88.9	106.0	126.2	137.2
Four-Qtr. Percent Change.....	14.6	-8.8	25.9	12.6	13.7	28.4	-1.6	2.9	-17.2	19.3	19.1	8.7
Composition of Real GNP - Annual Rates of Change												
Gross National Product.....	-0.6	-1.2	5.4	5.5	5.0	2.8	-0.3	2.6	-1.9	3.3	5.3	3.2
Final Sales.....	-0.2	0.3	4.2	5.1	4.9	3.5	0.5	1.8	-0.7	2.7	4.4	3.1
Total Consumption.....	-0.7	2.2	5.6	5.0	4.5	2.7	0.5	2.7	1.4	4.1	4.1	2.6
Nonres. Fixed Investment.....	-1.7	-12.1	5.3	11.7	12.9	7.4	-2.4	5.2	-4.7	-1.0	7.8	7.5
Equipment.....	1.5	-11.9	6.2	15.9	13.8	6.3	-3.1	4.2	-7.5	2.2	9.6	7.9
Nonres. Construction.....	-7.9	-12.3	3.2	2.4	10.5	10.0	-0.7	7.5	1.8	-7.9	3.7	6.5
Res. Fixed Investment.....	-22.6	-12.5	21.3	18.6	2.8	-5.2	-20.3	-5.2	-15.3	41.8	9.5	1.0
Exports.....	11.5	-4.5	6.3	2.5	12.2	15.4	8.8	0.4	-7.8	-6.5	3.9	5.0
Imports.....	-1.3	-11.5	18.6	7.4	13.0	6.2	-0.2	7.3	1.4	5.1	8.5	5.4
Federal Government.....	0.8	0.8	-0.7	3.8	-0.1	1.8	4.2	3.8	5.6	1.5	8.4	3.6
State and Local Governments.....	3.9	2.6	0.4	0.2	3.3	1.1	1.0	-1.0	-0.5	0.0	2.2	2.0

Alternative Simulation - TROUBLE85092883

	1983				1984				Years			
	I	II	III	IV	I	II	III	IV	1982	1983	1984	1985
GNP and Its Components Billions of Dollars - SAAR												
Total Consumption.....	2073.0	2147.0	2183.8	2243.8	2308.3	2366.6	2422.2	2474.7	1991.9	2161.9	2393.0	2593.4
Nonres. Fixed Investment.....	332.1	336.3	343.0	352.4	364.2	377.3	391.9	406.1	348.3	340.9	384.9	418.7
Res. Fixed Investment.....	111.3	128.4	142.0	148.7	151.5	156.8	163.7	169.6	90.8	132.6	160.4	156.0
Inventory Investment.....	-39.4	-14.5	16.5	19.0	21.9	32.8	46.4	50.2	-24.6	-4.6	37.8	14.0
Net Exports.....	17.0	-8.5	-20.3	-17.2	-18.7	-20.8	-23.6	-24.7	17.4	-7.2	-21.9	-12.0
Federal Purchases.....	273.5	273.7	280.3	290.0	303.3	312.5	319.4	327.9	258.7	279.4	315.8	347.6
State and Local Govt. Purchases.....	404.0	409.7	417.6	425.8	435.0	446.6	458.1	467.2	390.5	414.3	451.7	482.3
Gross National Product.....	3171.5	3272.0	3363.0	3462.6	3565.4	3671.9	3778.2	3871.1	3073.0	3317.3	3721.6	4006.1
Real GNP (1972 Dollars).....	1490.1	1525.1	1552.7	1577.1	1600.9	1624.1	1644.7	1655.4	1485.4	1536.3	1631.3	1637.9
Prices and Wages - Annual Rates of Change												
Implicit Price Deflator.....	5.5	3.3	3.8	5.6	5.9	6.2	6.6	7.4	6.0	4.3	5.7	7.2
CPI - All Urban Consumers.....	-0.4	4.2	4.7	5.5	6.1	6.2	6.4	6.8	6.2	3.3	5.8	6.9
Producer Price Index - Finished Goods	-2.6	0.8	3.7	5.9	7.1	7.5	7.9	8.4	4.0	1.9	6.3	7.9
Compensation per Hour.....	7.0	4.3	3.7	6.1	7.9	6.9	7.5	8.0	7.9	5.7	6.6	7.7
Core Inflation.....	7.5	6.9	6.4	5.9	5.6	5.4	5.3	5.3	8.7	6.7	5.4	5.7
Production and Other Key Measures												
Industrial Production (1967=1.000)...	1.385	1.444	1.508	1.543	1.579	1.604	1.629	1.642	1.386	1.470	1.614	1.601
Annual Rate of Change.....	9.9	18.3	18.9	9.5	9.9	6.3	6.4	3.4	-8.1	6.0	9.8	-0.8
Housing Starts (Mil. Units).....	1.694	1.683	1.870	1.782	1.837	1.878	1.899	1.884	1.059	1.757	1.874	1.472
Retail Unit Car Sales (Mil. Units)...	8.4	9.2	9.4	10.2	10.9	11.1	11.2	11.1	8.0	9.3	11.1	9.8
National Unemployment Rate (%).....	10.2	10.0	9.3	8.8	8.3	7.9	7.7	7.6	9.6	9.6	7.9	8.5
Federal Budget Surplus (NIA).....	-183.3	-166.1	-195.5	-196.0	-182.5	-179.1	-169.3	-171.3	-147.1	-185.2	-175.5	-225.4
Money and Interest Rates												
Money Supply (M-2).....	2043.6	2095.1	2145.1	2187.6	2233.6	2291.2	2342.2	2388.7	1944.7	2187.6	2388.7	2534.4
% Change, 4th-Qtr. to 4th-Qtr.	12.4	13.2	12.9	12.5	9.3	9.4	9.2	9.2	9.3	12.5	9.2	6.1
New AA Corp. Utility Rate (%).....	12.23	11.77	12.34	12.47	12.46	12.69	13.10	13.57	15.13	12.20	12.95	14.20
New High-Grade Corp. Bond Rate (%)...	11.22	10.58	11.94	11.99	11.95	12.15	12.55	12.98	13.89	11.43	12.41	13.57
Federal Funds Rate (%).....	8.65	8.80	9.43	9.59	9.40	9.40	9.44	11.27	12.26	9.12	9.63	14.03
Prime Rate (%).....	10.88	10.50	10.78	11.04	11.12	11.10	10.82	11.96	14.86	10.80	11.25	14.73
Incomes - Billions of Dollars												
Personal Income.....	2657.8	2713.6	2763.9	2848.0	2926.2	3000.6	3076.2	3152.9	2578.7	2745.8	3039.0	3326.6
Real Disposable Income (%Ch).....	2.9	3.5	7.5	6.7	5.7	4.3	3.3	2.8	0.5	3.3	5.2	2.4
Saving Rate (%).....	5.4	4.0	5.1	5.2	5.2	5.1	5.1	5.3	5.8	4.9	5.2	6.1
Profits Before Tax.....	169.7	203.3	222.4	239.5	257.1	272.1	287.7	297.2	174.2	208.7	278.5	260.1
Profits After Tax.....	108.2	127.2	141.6	150.8	161.1	172.0	180.4	185.5	115.1	132.0	174.8	168.5
Company Profits.....	89.7	101.0	114.5	120.4	124.8	128.9	133.1	136.2	88.9	106.4	130.8	132.8
Four-Qtr. Percent Change.....	-0.9	11.1	26.1	44.5	39.1	27.6	16.2	13.1	-17.2	19.7	22.9	1.5
Composition of Real GNP - Annual Rates of Change												
Gross National Product.....	2.6	9.7	7.4	6.4	6.2	5.9	5.2	2.6	-1.9	3.4	6.2	0.4
Final Sales.....	0.6	6.8	4.0	6.2	5.9	4.8	3.9	2.4	-0.7	2.9	5.1	1.0
Total Consumption.....	2.9	10.0	2.5	6.3	6.0	4.5	3.2	2.0	1.4	4.3	5.0	1.4
Nonres. Fixed Investment.....	-1.5	8.0	7.1	8.4	9.4	9.3	9.1	7.0	-4.7	-1.0	8.6	2.0
Equipment.....	5.0	19.8	8.7	9.1	10.4	10.2	9.8	6.9	-7.5	2.2	10.2	3.3
Nonres. Construction.....	-13.9	-14.9	3.2	6.6	7.2	7.1	7.4	7.1	1.8	-7.8	5.0	-1.3
Res. Fixed Investment.....	57.7	78.6	46.1	15.5	1.2	6.5	8.8	4.9	-15.3	42.8	14.3	-10.7
Exports.....	2.4	-3.2	4.3	6.1	3.6	4.0	4.8	6.1	-7.8	-6.5	4.1	4.9
Imports.....	12.1	26.6	11.5	8.3	8.9	7.5	7.2	6.3	1.4	5.1	9.4	4.4
Federal Government.....	-17.9	-2.7	6.4	6.2	14.2	6.9	3.1	0.3	5.6	2.3	6.9	2.5
State and Local Governments.....	-1.6	0.0	2.4	2.4	2.2	3.5	3.4	0.6	-0.5	0.0	2.4	0.5

OCTOBER FORECAST BASED ON DRI'S "TROUBLE85092883"

SUMMARY REPORT
 MASSACHUSETTS ECONOMIC POLICY ANALYSIS MODEL
 (Units as Indicated)

	1982	1983	1984	1985
Employment--Total Nonag.*	2622	2621	2743	2806
% Change	-1.7	-.0	4.7	2.3
Manufacturing*	637	618	657	660
% Change	-4.9	-2.9	6.2	.5
Non-Manufacturing*	1985	2003	2086	2146
% Change	-.7	.9	4.2	2.9
Unemployment Rate	7.9	6.7	4.1	3.9
Employment Rate Index**	103.0	102.1	106.1	107.8
% Change	-2.5	-.8	3.9	1.6
Relative to U.S. Index**	103.1	102.9	102.5	102.4
Rate of Wage Change	7.8	4.6	4.5	5.0
Wage Index Rel. to U.S.**	93.5	93.6	93.7	93.8
Avg. Weekly Hours in Mfg.	39.4	39.9	40.5	40.2
Rate of Price Inflation	4.2	4.2	5.6	7.0
Relative to U.S. CPI**	94.9	95.8	95.6	95.7
Personal Income (mil\$)	68913	72466	79109	85657
% Change	7.3	5.2	9.2	8.3
Disposable Income (mil\$)	57458	61108	66808	72285
% Change	8.2	6.4	9.3	8.2
Real Per Cap. D.I. Index**	105.9	107.8	111.0	111.7
Relative to U.S.**	105.2	103.8	102.9	102.0
Rel. Business Cost Index**	95.3	95.1	95.0	94.9
Manufacturing**	94.7	95.0	94.9	94.9
<u>Non-Manufacturing**</u>	95.5	95.1	95.0	94.9

*Thousands of people.

**Indexes equal 100 in calendar 1973.

OCTOBER FORECAST BASED ON DRI'S "TROUBLE85092883"

EMPLOYMENT IN MASSACHUSETTS--INDUSTRY DETAIL

(Thousands of People)

	1982	1983	1984	1985
Manufacturing	636.9	618.3	656.9	660.1
As % of U.S.	3.38	3.31	3.27	3.26
Durables	391.9	379.1	408.5	410.9
Lumber, Furntr. (24/25)	11.4	11.8	12.8	12.5
Stone, Clay, etc. (32)	11.7	10.4	11.0	10.7
Primary Metals (33)	15.4	14.6	15.9	15.8
Fabricated Metals (34)	47.3	45.1	48.7	46.4
Non-elec. Machin. (35)	104.5	100.2	110.5	114.2
Elec. Equipment (36)	111.7	108.6	115.3	115.5
Transport. Equip. (37)	30.9	33.2	37.0	36.5
Instruments (38)	59.0	55.2	57.4	59.2
Nondurables	245.0	239.3	248.4	249.3
Food (20)	24.7	24.2	23.9	23.8
Textiles (22)	20.9	21.3	22.4	21.6
Apparel (23)	37.3	36.1	38.0	39.1
Paper (26)	26.2	25.8	26.9	27.1
Printing (27)	45.5	44.1	45.5	46.8
Chemicals (28)	17.5	16.9	17.5	17.6
Rubber (30)	29.4	30.1	32.8	32.6
Leather (31)	18.6	16.9	16.6	16.0
Other Nondurables (39)	24.8	23.8	24.9	24.8
Nonmanufacturing	1985.3	2002.7	2086.0	2146.1
Contract Construction	78.5	72.8	79.0	82.5
Transport & Utilities	118.8	115.0	116.8	116.2
Wholesale & Retail Trade	570.1	575.3	599.4	614.6
Finance, Insurance, etc.	168.2	173.8	184.5	192.7
Services & Miscellaneous	682.4	698.9	733.8	763.9
Government	367.3	366.9	372.5	376.2
Federal	55.8	55.6	56.5	57.8
State	91.7	93.0	92.1	92.1
Local	219.7	218.4	224.0	226.3
Nonag. Wage & Sal. Employ.*	2622.2	2621.0	2742.9	2806.3
As % of U.S.	2.93	2.91	2.89	2.87

*Establishment basis (CES Survey).

OCTOBER FORECAST BASED ON DRI'S "TROUBLE85092883"

MASSACHUSETTS EMPLOYMENT, POPULATION, AND LABOR FORCE
(Thousands of People)

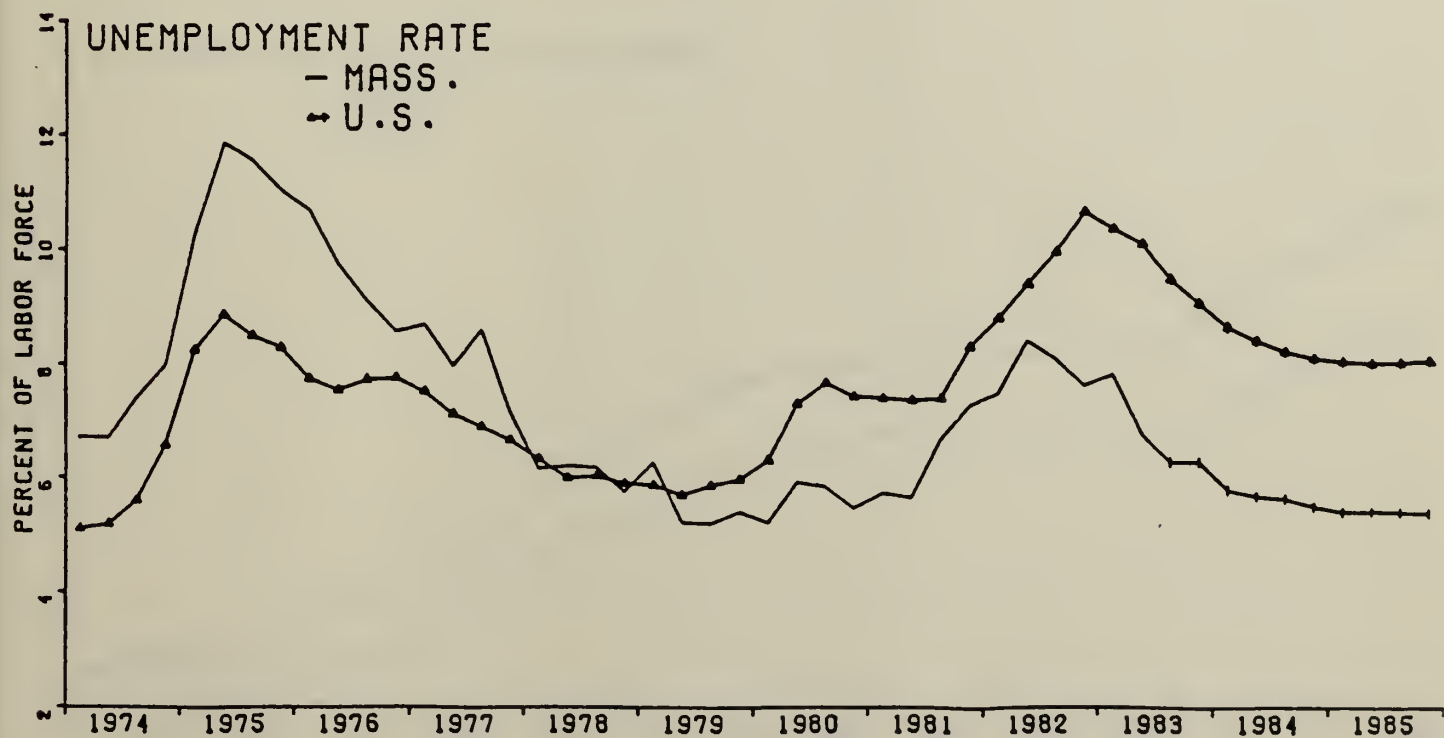
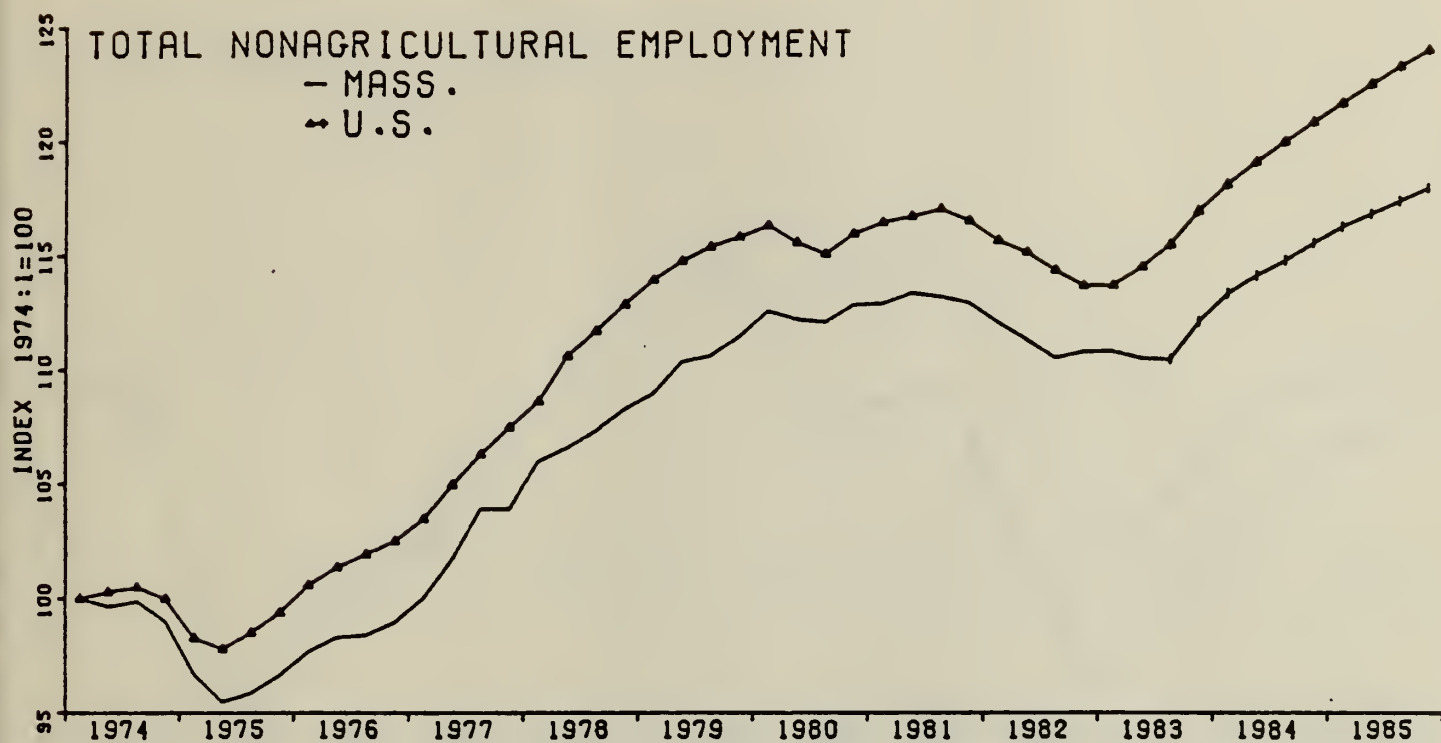
	1982	1983	1984	1985
Nonag. Wage & Sal. Employ.*	2622.2	2621.0	2742.9	2806.3
As % of U.S.	2.93	2.91	2.89	2.87
Plus: All Other Nonag.	172.0	178.1	191.3	196.1
Plus: Agriculture	25.7	24.9	24.7	24.7
Total Mass. Jobs	2820.0	2824.1	2958.9	3027.0
Less: Adjustments**	43.4	22.6	24.5	36.5
Total Employment***	2776.6	2801.5	2934.4	2990.5
As % of U.S.	2.79	2.78	2.79	2.80
Mass. Population	5781.0	5796.4	5827.8	5859.4
As % of U.S.	2.49	2.48	2.47	2.46
Mass. Populn. 16 and Over	4476.0	4510.6	4542.2	4573.6
Mass. Employment Rate****	58.6	58.1	60.4	61.4
Indexed to 1973	103.0	102.1	106.1	107.8
U.S. Employment Rate	51.4	51.0	53.2	54.2
Mass. Index Rel. To U.S.	103.1	102.9	102.5	102.4
Labor Force	3015.1	3001.6	3060.8	3111.2
Participation Rate	67.4	66.5	67.4	68.0
U.S. Participation Rate	63.2	63.3	64.1	64.7
Number of Unemployed	238.5	200.1	126.4	120.6
Unemployment Rate	7.9	6.7	4.1	3.9
<u>U.S. Unemployment Rate</u>	9.7	9.7	8.0	8.6

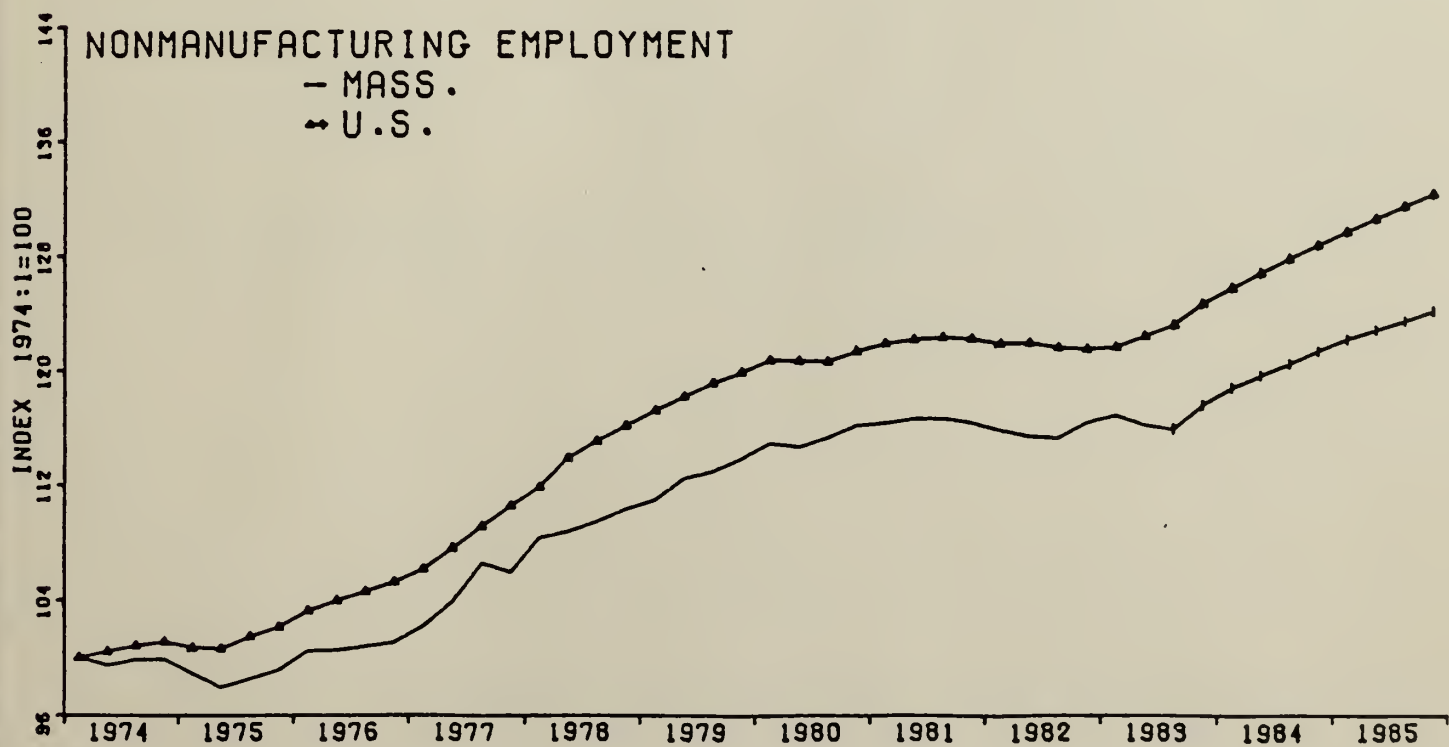
*Establishment basis (CES Survey).

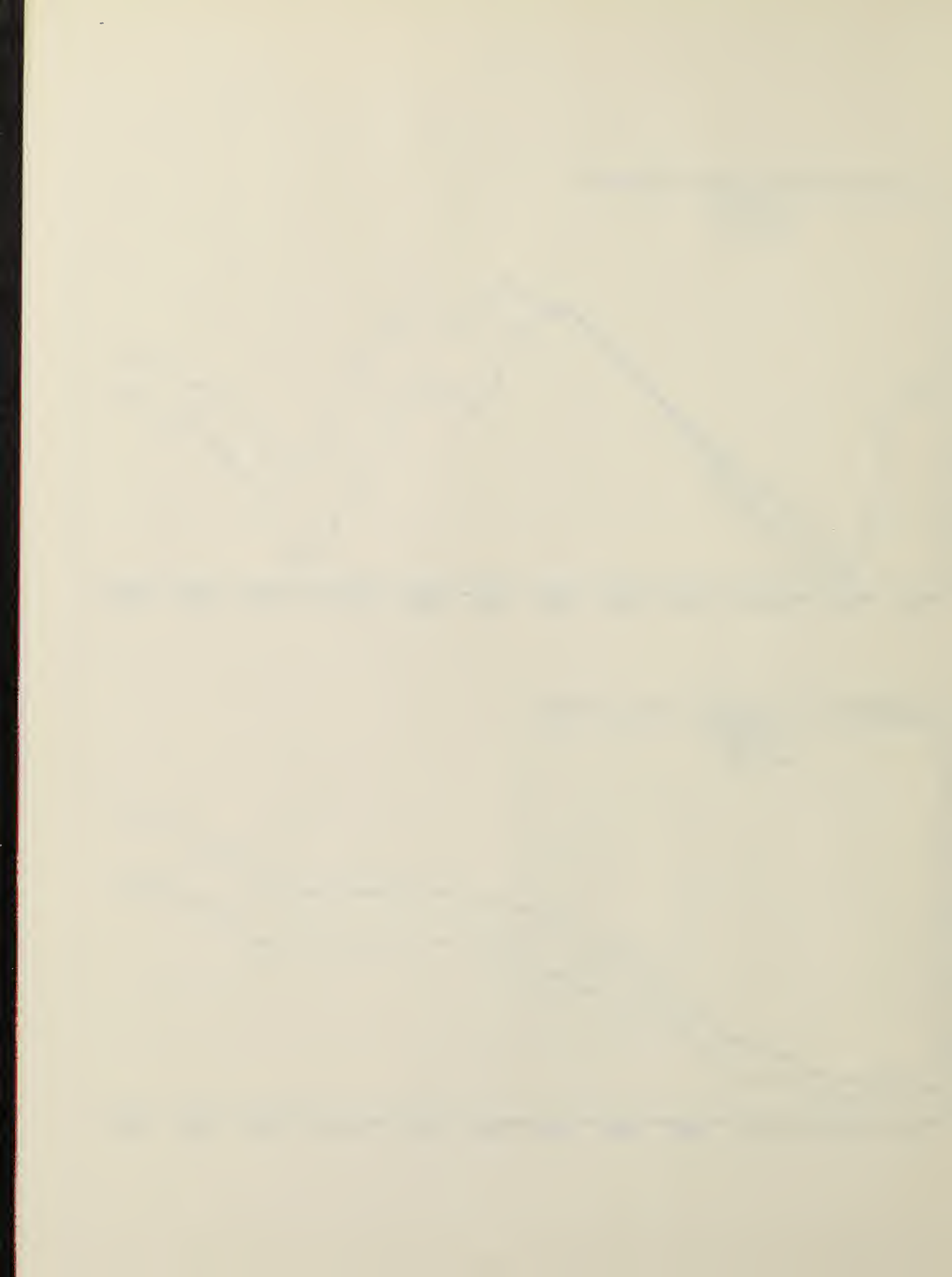
**Adjustments for double counting and place of residence.

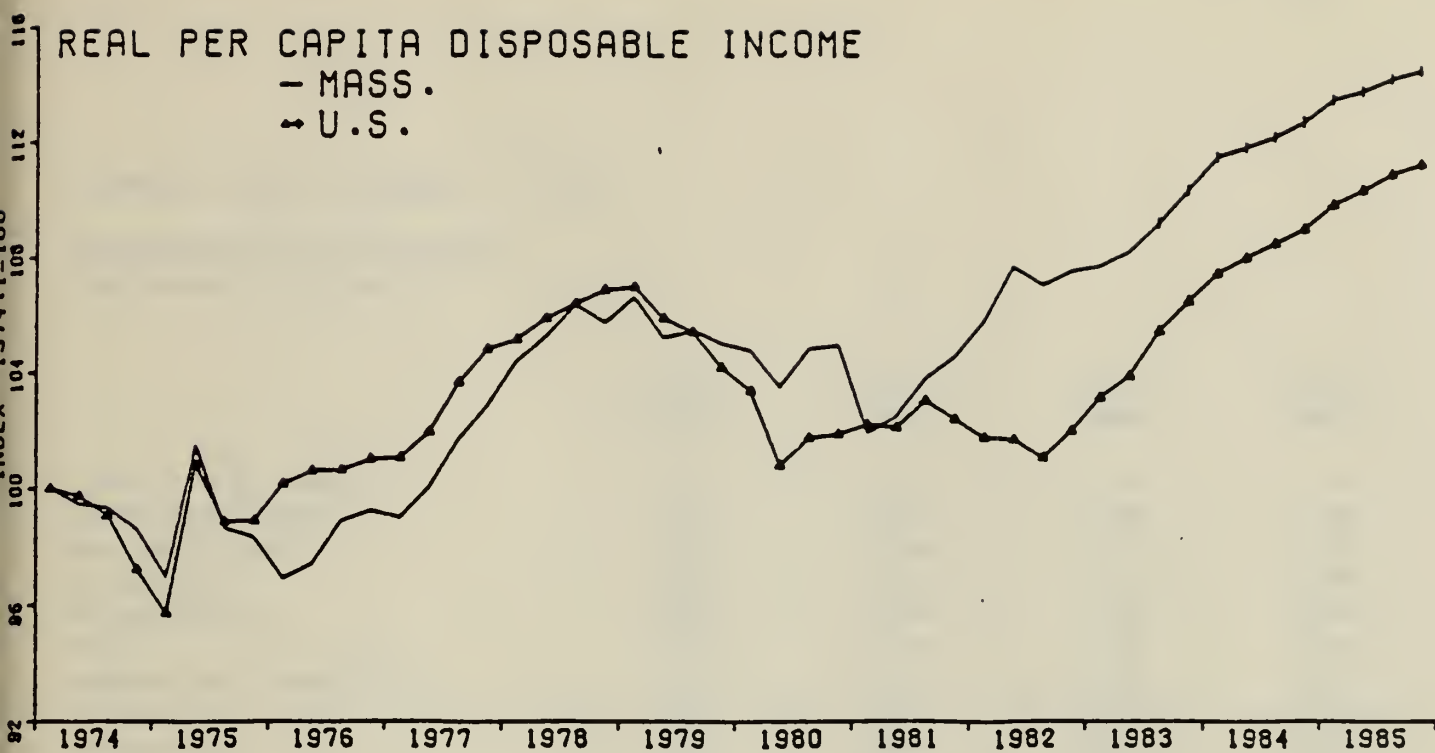
***Household basis (Current Population Survey).

****Total nonag. employment divided by the population sixteen and over.









OCTOBER CONTROL FORECAST (T3)

MASSACHUSETTS TAX REVENUES
(Millions of Dollars)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
Alcoholic Beverages	84	82	86	89
Commercial Banks	29	66	59	66
Savings Banks	41	48	45	50
Cigarettes	145	143	169	169
Corporations	498	506	526	659
Deeds	12	14	19	19
Estate and Inheritance	99	112	126	137
Income	2324	2472	2759	3033
Insurance	122	135	151	184
Motor Fuel	269	250	270	255
Public Utilities	30	40	45	56
Room Occupancy	24	26	29	33
Sales and Use	917	1052	1191	1276
Regular	608	683	755	802
Meals	164	186	204	221
Motor Vehicle	146	182	232	253
Misc. Dept. of Revenue*	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Dept. of Revenue Total	4598	4948	5478	6025
Racing and Boxing	33	35	38	41
Beano, Raffles & Bazaars**	<u>6</u>	<u>9</u>	<u>10</u>	<u>11</u>
<u>Comptrollers' Rept. Total</u>	4637	4992	5526	6078

*Includes Beano, Raffles & Bazaars before January, 1978

**As reported by Comptroller less amount reported by D. of R.

OCTOBER CONTROL FORECAST (T3)

MASSACHUSETTS TAX REVENUES

(Per Cent Changes at Annual Rates)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
Alcoholic Beverages	-.35	-2.57	4.37	3.49
Commercial Banks	-23.14	125.82	-10.93	10.82
Savings Banks	8.42	16.67	-4.91	10.22
Cigarettes	-1.87	-1.68	18.10	-.01
Corporations	12.60	1.62	3.98	25.19
Deeds	-3.66	9.74	40.66	-.20
Estate and Inheritance	20.99	12.58	13.00	8.41
Income	12.95	6.38	11.59	9.92
Insurance	7.19	10.36	12.11	21.86
Motor Fuel	13.35	-6.99	7.72	-5.41
Public Utilities	70.49	34.59	12.30	22.14
Room Occupancy	10.01	7.91	11.56	12.89
Sales and Use	6.66	14.65	13.28	7.09
Regular	6.13	12.40	10.63	6.15
Meals	5.61	13.52	9.63	8.00
Motor Vehicle	10.20	25.28	26.92	9.35
Misc. Dept. of Revenue*	<u>95.79</u>	<u>-8.28</u>	<u>-10.95</u>	<u>18.11</u>
Dept. of Revenue Total	10.65	7.60	10.71	10.00
Racing and Boxing	3.10	6.57	7.51	8.10
Beano, Raffles & Bazaars**	<u>2.07</u>	<u>52.49</u>	<u>7.60</u>	<u>7.94</u>
<u>Comptrollers' Rept. Total</u>	10.58	7.65	10.68	9.98

*Includes Beano, Raffles & Bazaars before January, 1978

**As reported by Comptroller less amount reported by D. of R.

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Money amounts in Millions of Dollars)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
ALCOHOLIC BEVERAGES	84.4	82.3	85.9	88.9
Surprise Factor	.0	.0	.1	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	84.4	82.3	85.7	88.9
Portion explained below (SA)	84.5	82.3	85.8	88.9
Mult	.98	.93	.93	.93
Tax Rate (per 67\$ of sales)	.24	.24	.24	.24
Population over 18	4338	4364	4400	4435
Real disp. income per adult(1.2*)	6.225	6.339	6.527	6.670
<u>Tax effect ratio (-1.3*)</u>	.90	.90	.90	.91
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Real disp. income per adult	4.697	4.770	4.889	4.980
Tax effect ratio	1.09	1.08	1.08	1.08
COMMERCIAL BANKS	29.4	66.4	59.1	65.5
Surprise Factor	.0	.0	-1.6	0.0
Processing Factor	0.0	10.0	0.0	0.0
Portion explained below (NS)	29.4	56.4	60.7	65.5
Portion explained below (SA)	29.3	56.3	60.6	65.3
Mult	.71	1.29	1.38	1.38
Tax Rate	.1254	.1254	.1254	.1254
Commercial bank profits (mil\$)	2148	2277	2287	2466
SAVINGS BANKS	40.8	47.6	45.3	49.9
Surprise Factor	.0	.0	-1.2	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	40.8	47.6	46.5	49.9
Portion explained below (SA)	40.7	47.5	46.4	49.5
Mult	1.124	1.250	1.200	1.200
Tax Rate (Fixed wt. index*)	1.00	1.00	1.00	1.00
Sav. bank deposits index (.37*)	1.082	1.092	1.145	1.234
<u>Comm. bank profits index (.63*)</u>	1.51	1.61	1.62	1.72

*Weights used for rate and base composite indexes.

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Per Cent Changes at Annual Rates)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
ALCOHOLIC BEVERAGES	-.35	-2.57	4.37	3.49
Surprise Factor	0.00	.00	.16	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-.00	0.00	-.00	-.16
Portion explained below (NS)	-.35	-2.57	4.21	3.65
Portion explained below (SA)	-.26	-2.59	4.24	3.64
Mult	-3.08	-5.21	0.00	0.00
Tax Rate (per 67\$ of sales)	0.00	0.00	0.00	0.00
Population over 18	1.26	.61	.81	.80
Real disp. income per adult(1.2*)	1.05	1.84	2.95	2.19
<u>Tax effect ratio (-1.3*)</u>	.56	.31	.43	.62
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Real disp. income per adult	.89	1.55	2.49	1.85
Tax effect ratio	-.42	-.23	-.32	-.47
COMMERCIAL BANKS	-23.14	125.82	-10.93	10.82
Surprise Factor	0.00	.00	-2.76	0.00
Processing Factor	0.00	34.03	0.00	0.00
Echo Factor	-17.22	0.00	-15.80	2.84
Portion explained below (NS)	-5.92	91.79	7.63	7.98
Portion explained below (SA)	-5.39	92.09	7.49	7.81
Mult	-8.48	81.23	7.00	0.00
Tax Rate	0.00	0.00	0.00	0.00
Commercial bank profits (mil\$)	3.39	6.00	.46	7.81
SAVINGS BANKS	8.42	16.67	-4.91	10.22
Surprise Factor	.00	0.00	-2.61	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-.00	-.00	-.00	2.94
Portion explained below (NS)	8.42	16.67	-2.30	7.27
Portion explained below (SA)	8.91	16.73	-2.26	6.66
Mult	5.71	11.19	-4.00	0.00
Tax Rate (Fixed wt. index*)	0.00	0.00	0.00	0.00
Sav. bank deposits index (.37*)	3.01	.99	4.84	7.71
<u>Comm. bank profits index (.63*)</u>	3.03	6.66	.61	6.22

*Weights used for rate and base composite indexes.

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Money amounts in Millions of Dollars)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
CIGARETTES	145.4	142.9	168.8	168.8
Surprise Factor	.0	.0	.8	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	145.4	142.9	168.0	168.8
Portion explained below (SA)	145.4	142.9	168.0	168.8
Mult	1.01	.99	.97	.97
Tax Rate	.21	.21	.26	.26
Population over 18	4338	4364	4400	4435
Per capita Use (Time trend)	.656	.648	.641	.633
Tax effect ratio (-.75*)	.84	.85	.83	.83
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Tax effect ratio	1.26	1.25	1.29	1.28
CORPORATIONS	498.1	506.1	526.3	658.8
Surprise Factor	.0	.0	-3.0	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	498.1	506.1	529.3	658.8
Portion explained below (SA)	498.3	509.8	525.6	655.3
Mult	1.18	1.43	1.43	1.43
Corporate profits (1.01*)	5428	4476	4581	5763
Tax rate	.095	.095	.095	.095
Manufact. Capital stock (.08*)	22279	24032	25762	28635
Tax rate	.0026	.0026	.0026	.0026
Mnfact. equip. investment (-.09*)	2363	2081	2123	2510
Credit rate	.03	.03	.03	.03
*Probable approx. contribution to total collections in a typical year.				
DEEDS	12.5	13.7	19.3	19.2
Surprise Factor	-.0	.0	1.5	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	12.5	13.7	17.8	19.2
Portion explained below (SA)	12.5	13.7	17.8	19.3
Mult	.74	.76	.91	.91
Tax Rate (per \$500)	1.14	1.14	1.14	1.14
Disposable income	55435	59323	63652	68875

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Per Cent Changes at Annual Rates)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
CIGARETTES	-1.87	-1.68	18.10	-.01
Surprise Factor	.00	.00	.56	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-2.03	0.00	0.00	-.47
Portion explained below (NS)	.16	-1.68	17.54	.47
Portion explained below (SA)	.26	-1.69	17.55	.47
Mult	-.89	-1.78	-2.00	0.00
Tax Rate	0.00	0.00	23.81	0.00
Population over 18	1.26	.61	.81	.80
Per capita Use (Time trend)	-1.19	-1.19	-1.19	-1.19
<u>Tax effect ratio (-.75*)</u>	1.11	.70	-2.74	.88
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Tax effect ratio	-1.47	-.93	3.80	-1.16

CORPORATIONS	12.60	1.62	3.98	25.19
Surprise Factor	.00	0.00	-.59	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	3.69	-.00	-.00	.71
Portion explained below (NS)	8.91	1.62	4.58	24.48
Portion explained below (SA)	8.81	2.33	3.10	24.66
Mult	16.78	20.95	0.00	0.00
Corporate profits (1.01*)	-7.09	-17.54	2.34	25.80
Tax rate	0.00	0.00	0.00	0.00
Manufact. Capital stock (.08*)	14.36	7.87	7.20	11.15
Tax rate	0.00	0.00	0.00	0.00
Mnfact. equip. investment (-.09*)	7.09	-11.96	2.05	18.22
<u>Credit rate</u>	0.00	0.00	0.00	0.00

*Probable approx. contribution to total collections in a typical year.

DEEDS	-3.66	9.74	40.66	-.20
Surprise Factor	0.00	.00	10.95	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-.00	0.00	-.00	-8.43
Portion explained below (NS)	-3.66	9.74	29.71	8.23
Portion explained below (SA)	-3.78	9.52	29.83	8.20
Mult	-12.17	2.35	21.00	0.00
Tax Rate (per \$500)	0.00	0.00	0.00	0.00
Disposable income	9.55	7.01	7.30	8.20

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Money amounts in Millions of Dollars)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
ESTATE AND INHERITANCE	99.4	111.9	126.4	137.0
Surprise Factor	.0	.0	-.5	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	99.4	111.9	126.9	137.0
Portion explained below (SA)	99.4	111.9	127.0	137.1
Mult	1.09	1.17	1.18	1.18
Household net worth	130225	137024	153920	166175
INCOME	2324.1	2472.3	2758.8	3032.6
Surprise Factor (not used)	.0	.0	22.5	0.0
Processing Factor	-31.0	-70.0	-56.7	-59.8
Portion explained (see (NS)	2355.1	2542.3	2815.5	3092.4
separate detail) (SA)	2355.1	2542.3	2815.5	3092.4
Mult	1.11	1.15	1.19	1.19
Earned Income	46265	48556	51627	56048
Tax Rate	.0538	.0538	.0538	.0538
Unearned Income	2254	2223	2414	2668
Tax Rate	.1075	.1075	.1075	.1075
Total Deductions & Exemptions	11146	11807	12169	12747
INSURANCE	122.2	134.9	151.2	184.3
Surprise Factor	.0	.0	4.4	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	122.2	134.9	146.8	184.3
Portion explained below (SA)	122.3	136.5	145.3	182.8
Mult	1.13	1.52	1.59	1.59
Corporate profits	5428	4476	4581	5763

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Per Cent Changes at Annual Rates)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
ESTATE AND INHERITANCE	20.99	12.58	13.00	8.41
Surprise Factor	.00	.00	-.46	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-.00	0.00	-.00	.44
Portion explained below (NS)	20.99	12.58	13.46	7.97
Portion explained below (SA)	20.88	12.59	13.45	7.96
Mult	11.14	7.00	1.00	0.00
Household net worth	8.76	5.22	12.33	7.96
INCOME	12.95	6.38	11.59	9.92
Surprise Factor (not used)	.00	.00	.88	0.00
Processing Factor	-1.49	-2.97	-2.23	-2.12
Echo Factor	1.36	1.40	3.07	2.21
Portion explained (see (NS)	13.08	7.95	10.75	9.84
separate detail) (SA)	13.08	7.95	10.75	9.84
Mult	2.56	3.84	3.00	0.00
Earned Income	8.95	4.95	6.32	8.56
Tax Rate	0.00	0.00	0.00	0.00
Unearned Income	3.26	-1.37	8.63	10.50
Tax Rate	0.00	0.00	0.00	0.00
Total Deductions & Exemptions	2.42	5.93	3.06	4.75
INSURANCE	7.19	10.36	12.11	21.86
Surprise Factor	0.00	.00	3.28	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	0.00	0.00	-.00	-3.68
Portion explained below (NS)	7.19	10.36	8.83	25.54
Portion explained below (SA)	7.00	11.58	6.44	25.80
Mult	15.16	35.31	4.00	0.00
Corporate profits	-7.09	-17.54	2.34	25.80

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Money amounts in Millions of Dollars)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
MOTOR FUELS	269.2	250.4	269.8	255.2
Surprise Factor	.0	.0	7.1	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	269.2	250.4	262.6	255.2
Portion explained below (SA)	269.3	250.4	262.7	255.3
Mult	1.03	1.01	1.00	1.00
Tax Rate	.112	.104	.110	.110
Consumption, 72 \$, gas & oil	693.5	702.9	704.6	683.5
<u>Tax effect ratio (-.23*)</u>	1.000	1.003	1.003	1.005
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Tax effect ratio	1.002	.989	.987	.981
 PUBLIC UTILITIES	 30.1	 40.5	 45.5	 55.5
Surprise Factor	.0	.0	1.2	0.0
Processing Factor	0.0	3.0	0.0	0.0
Portion explained below (NS)	30.1	37.5	44.2	55.5
Portion explained below (SA)	30.1	38.1	43.7	54.9
Mult	1.11	1.70	1.91	1.91
Corporate profits	5428	4476	4581	5763
 ROOM OCCUPANCY	 24.3	 26.2	 29.3	 33.0
Surprise Factor	-.0	.0	-.2	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	24.3	26.2	29.4	33.0
Portion explained below (SA)	24.3	26.3	29.7	33.2
Mult	1.31	1.35	1.32	1.32
Tax Rate	.057	.057	.057	.057
Real p. c. disp. income (.74*)	2.474	2.496	2.560	2.602
Disposable income	56403	59956	64979	70514
<u>Employment effect (2.1*)</u>	.84	.82	.85	.86
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Real per cap. dispos. income	3.395	3.436	3.556	3.635
Employment effect	.92	.91	.93	.93

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Per Cent Changes at Annual Rates)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
MOTOR FUELS	13.35	-6.99	7.72	-5.41
Surprise Factor	.00	.00	2.84	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-.00	0.00	-.00	-2.56
Portion explained below (NS)	13.35	-6.99	4.88	-2.84
Portion explained below (SA)	14.47	-7.03	4.93	-2.84
Mult	-1.11	-1.71	-1.00	0.00
Tax Rate	12.86	-7.00	5.68	0.00
Consumption, 72 \$, gas & oil	2.63	1.36	.23	-2.99
<u>Tax effect ratio (-.23*)</u>	-.07	.30	.05	.16
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Tax effect ratio	.30	-1.27	-.21	-.66

PUBLIC UTILITIES	70.49	34.59	12.30	22.14
Surprise Factor	.00	.00	3.23	0.00
Processing Factor	0.00	9.97	0.00	0.00
Echo Factor	-.00	0.00	-8.99	-3.34
Portion explained below (NS)	70.49	24.62	18.05	25.48
Portion explained below (SA)	70.46	26.49	14.62	25.80
Mult	83.48	53.38	12.00	0.00
Corporate profits	-7.09	-17.54	2.34	25.80

ROOM OCCUPANCY	10.01	7.91	11.56	12.89
Surprise Factor	0.00	.00	-.68	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-5.22	.00	-.00	.68
Portion explained below (NS)	15.22	7.91	12.24	12.21
Portion explained below (SA)	14.70	8.27	12.72	11.96
Mult	7.06	3.16	-2.00	0.00
Tax Rate	0.00	0.00	0.00	0.00
Real p. c. disp. income (.74*)	.78	.89	2.57	1.65
Disposable income	9.74	6.30	8.38	8.52
<u>Employment effect (2.1*)</u>	-3.11	-2.17	3.44	1.53

*Elasticity (power diff. from 1 to which variable is raised.)

Same variable without exponent:

Real per cap. dispos. income	1.05	1.20	3.49	2.23
Employment effect	-1.50	-1.04	1.62	.73

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Money amounts in Millions of Dollars)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
SALES--REGULAR	607.5	682.9	755.5	801.9
Surprise Factor	-.0	.0	11.9	0.0
Processing Factor	4.0	0.0	0.0	0.0
Portion explained below (NS)	603.5	682.9	743.6	801.9
Portion explained below (SA)	603.6	682.8	743.6	801.9
Mult	1.17	1.24	1.27	1.27
Tax Rate	.050	.050	.050	.050
Consumption expend. net of m.v.	3512	3661	3903	4223
Rel. employment effect (1.03*)	1.01	1.03	1.03	1.03
Tax effect ratio (-5.5*)	.76	.76	.76	.76
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Relative employment effect	1.01	1.03	1.03	1.03
Tax effect ratio	1.05	1.05	1.05	1.05
SALES--MEALS	164.2	186.4	204.4	220.7
Surprise Factor	.0	.0	.4	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	164.2	186.4	203.9	220.7
Portion explained below (SA)	164.3	186.5	204.1	220.9
Mult	.96	1.02	1.04	1.04
Tax Rate	.050	.050	.050	.050
Disposable income	55435	59323	63652	68875
Tax effect ratio (-1.25*)	.90	.90	.90	.90
Tax effect ratio	1.05	1.05	1.05	1.05
SALES--MOTOR VEHICLES	145.6	182.4	231.5	253.2
Surprise Factor	.0	.0	3.0	0.0
Processing Factor	0.0	0.0	0.0	0.0
Portion explained below (NS)	145.6	182.4	228.5	253.2
Portion explained below (SA)	145.0	181.4	227.9	252.9
Mult	1.15	1.24	1.28	1.28
Tax Rate	.050	.050	.050	.050
Consumption expend., motor veh.	2727	3156	3850	4272
Tax effect ratio (-8.0*)	.68	.68	.68	.68
Tax effect ratio	1.05	1.05	1.05	1.05

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS TAX COLLECTIONS
(Per Cent Changes at Annual Rates)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
SALES--REGULAR	6.13	12.40	10.63	6.15
Surprise Factor	0.00	0.00	1.74	0.00
Processing Factor	.73	0.00	0.00	0.00
Echo Factor	-4.04	-.74	0.00	-1.70
Portion explained below (NS)	9.45	13.14	8.89	7.84
Portion explained below (SA)	9.47	13.11	8.90	7.84
Mult	7.17	6.43	2.00	0.00
Tax Rate	0.00	0.00	0.00	0.00
Consumption expend. net of m.v.	3.01	4.24	6.62	8.20
Rel. employment effect (1.03*)	-.84	1.95	.16	-.34
Tax effect ratio (-5.5*)	0.00	0.00	0.00	0.00
*Elasticity (power diff. from 1 to which variable is raised.)				
Same variable without exponent:				
Relative employment effect	-.81	1.88	.15	-.32
Tax effect ratio	0.00	0.00	0.00	0.00
SALES--MEALS	5.61	13.52	9.63	8.00
Surprise Factor	0.00	0.00	.23	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-1.38	0.00	-.00	-.22
Portion explained below (NS)	6.98	13.52	9.40	8.22
Portion explained below (SA)	6.96	13.51	9.44	8.20
Mult	-2.37	6.07	2.00	0.00
Tax Rate	0.00	0.00	0.00	0.00
Disposable income	9.55	7.01	7.30	8.20
Tax effect ratio (-1.25*)	0.00	0.00	0.00	0.00
Tax effect ratio	0.00	0.00	0.00	0.00
SALES--MOTOR VEHICLES	10.20	25.28	26.92	9.35
Surprise Factor	.00	.00	1.66	0.00
Processing Factor	0.00	0.00	0.00	0.00
Echo Factor	-2.56	-.00	-.00	-1.45
Portion explained below (NS)	12.76	25.28	25.26	10.80
Portion explained below (SA)	12.12	25.12	25.63	10.96
Mult	4.04	8.11	3.00	0.00
Tax Rate	0.00	0.00	0.00	0.00
Consumption expend., motor veh.	7.77	15.73	21.97	10.96
Tax effect ratio (-8.0*)	0.00	0.00	0.00	0.00
Tax effect ratio	0.00	0.00	0.00	0.00

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS INCOME TAX COLLECTIONS
(Money amounts in Millions of Dollars)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
TOTAL INCOME TAX	2324.1	2472.3	2758.8	3032.6
Portion explained below (SA)	2355.1	2542.3	2815.5	3092.4
Mult	1.11	1.15	1.19	1.19
Earned Income Base	46265	48556	51627	56048
Earned Income Tax Rate	.0538	.0538	.0538	.0538
Sources of Earned Income:				
Wages & Salaries	41782	43843	46537	50331
Per Cent Taxed	97.0	97.0	97.0	97.0
Proprietors' Income	2439	2637	3047	3475
Per Cent Taxed	67.0	67.0	67.0	67.0
Pensions & Annuities	938	1031	1133	1244
Per Cent Taxed	51.0	51.0	51.0	51.0
Interest (at earned rate)	5011	5319	5532	6113
Per Cent Taxed	45.0	45.0	45.0	45.0
Other	2570	2757	2896	3136
Per Cent Taxed	52.5	52.5	52.5	52.5
Unearned Income Base	2254	2223	2414	2668
Unearned Income Tax Rate	.1075	.1075	.1075	.1075
Sources of Unearned Income:				
Dividends	1905	2055	2138	2362
Per Cent Taxed	54.0	54.0	54.0	54.0
Capital Gains	1097	789	1026	1134
Statutory Per Cent Taxed	50.0	45.0	50.0	50.0
Per Cent of Stat. C.G. Taxed	50.0	50.0	50.0	50.0
Interest (at unearned rate)	1253	1330	1383	1528
Per Cent Taxed	54.0	54.0	54.0	54.0
Total Deductions & Exemptions	11146	11807	12169	12747
Basic Exemption (Wage earners)	5354	5798	5893	6068
Basic Exemption (Self-employed)	334	384	405	419
Blindness	6	6	6	6
Day Care	401	398	398	398
Dependents	1352	1329	1325	1327
Elderly	306	310	315	321
Separate Filing	-11	-12	-12	-12
Non-working Spouses	349	347	337	321
Retirement Contributions	2497	2674	2896	3234
Other deductions	216	229	243	263
Other Exemptions	352	373	396	429

OCTOBER CONTROL FORECAST (T3)

ANALYSIS OF MASSACHUSETTS INCOME TAX COLLECTIONS
(Per Cent Changes at Annual Rates)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
TOTAL INCOME TAX	12.95	6.38	11.59	9.92
Portion explained below (SA)	13.08	7.95	10.75	9.84
Mult	2.56	3.84	3.00	0.00
Earned Income Base	8.95	4.95	6.32	8.56
Earned Income Tax Rate	0.00	0.00	0.00	0.00
Sources of Earned Income:				
Wages & Salaries	8.00	4.93	6.15	8.15
Per Cent Taxed	0.00	0.00	0.00	0.00
Proprietors' Income	-.30	8.13	15.52	14.07
Per Cent Taxed	0.00	0.00	0.00	0.00
Pensions & Annuities	9.38	9.89	9.88	9.81
Per Cent Taxed	0.00	0.00	0.00	0.00
Interest (at earned rate)	32.86	6.13	4.02	10.50
Per Cent Taxed	0.00	0.00	0.00	0.00
Other	11.29	7.27	5.06	8.29
Per Cent Taxed	0.00	0.00	0.00	0.00
Unearned Income Base	3.26	-1.37	8.63	10.50
Unearned Income Tax Rate	0.00	0.00	0.00	0.00
Sources of Unearned Income:				
Dividends	5.17	7.92	4.02	10.50
Per Cent Taxed	0.00	0.00	0.00	0.00
Capital Gains	-21.12	-28.05	30.02	10.50
Statutory Per Cent Taxed	-28.57	-10.00	11.11	0.00
Per Cent of Stat. C.G. Taxed	0.00	0.00	0.00	0.00
Interest (at unearned rate)	32.86	6.13	4.02	10.50
Per Cent Taxed	0.00	0.00	0.00	0.00
Total Deductions & Exemptions	2.42	5.93	3.06	4.75
Basic Exemption (Wage earners)	-.42	8.30	1.64	2.98
Basic Exemption (Self-employed)	2.00	14.86	5.57	3.26
Blindness	.33	.12	.46	.57
Day Care	-.37	-.77	.02	-.13
Dependents	-3.05	-1.65	-.29	.08
Elderly	1.45	1.37	1.73	1.86
Separate Filing	NM	NM	NM	NM
Non-working Spouses	-1.12	-.64	-2.71	-4.76
Retirement Contributions	12.39	7.09	8.28	11.67
Other deductions	9.71	5.87	6.15	8.41
Other Exemptions	9.71	5.87	6.15	8.41

OCTOBER CONTROL FORECAST (T3)

SUMMARY REPORT

MASSACHUSETTS ECONOMIC POLICY ANALYSIS MODEL

(Units as Indicated)

	Fiscal 1982	Fiscal 1983	Fiscal 1984	Fiscal 1985
Employment--Total Nonag.*	2651	2610	2654	2734
% Change	-.4	-1.5	1.7	3.0
Manufacturing*	660	617	631	648
% Change	-1.4	-6.4	2.2	2.6
Non-Manufacturing*	1991	1993	2023	2086
% Change	-.0	.1	1.5	3.1
Unemployment Rate	7.5	7.6	6.0	5.5
Employment Rate Index**	104.5	102.1	103.0	105.4
% Change	-1.4	-2.3	.9	2.3
Relative to U.S. Index**	102.7	103.4	102.5	102.6
Rate of Wage Change	7.8	7.0	3.5	5.0
Wage Index Rel. to U.S.**	92.8	93.9	93.7	93.8
Avg. Weekly Hours in Mfg.	39.8	39.3	40.3	40.3
Rate of Price Inflation	7.2	4.7	3.8	5.4
Relative to U.S. CPI**	95.3	95.7	95.6	95.7
Personal Income (mil\$)	66875	70801	75155	81478
% Change	9.7	5.9	6.2	8.4
Disposable Income (mil\$)	55435	59323	63652	68875
% Change	9.6	7.0	7.3	8.2
Real Per Cap. D.I. Index**	104.4	106.5	109.5	111.8
Relative to U.S.**	103.1	104.9	103.5	103.2
Rel. Business Cost Index**	95.0	95.4	95.0	95.1
Manufacturing**	94.2	95.1	95.0	95.0
<u>Non-Manufacturing**</u>	95.3	95.6	95.0	95.1

*Thousands of people.

**Indexes equal 100 in calendar 1973.

OCTOBER FORECAST BASED ON DRI'S "TROUBLE85092883"

MASSACHUSETTS TAX REVENUES
(Millions of Dollars)

	Fiscal 1983	Fiscal 1984	Fiscal 1985
Alcoholic Beverages	82	86	89
Commercial Banks	66	59	65
Savings Banks	48	45	50
Cigarettes	143	169	169
Corporations	506	530	698
Deeds	14	19	19
Estate and Inheritance	112	126	137
Income	2472	2779	3094
Insurance	135	153	195
Motor Fuel	250	270	254
Public Utilities	40	46	59
Room Occupancy	26	30	34
Sales and Use	1052	1211	1312
Regular	683	767	833
Meals	186	205	223
Motor Vehicle	182	239	256
Misc. Dept. of Revenue*	<u>1</u>	<u>1</u>	<u>1</u>
Dept. of Revenue Total	4948	5524	6178
Racing and Boxing	35	38	42
Beano, Raffles & Bazaars**	<u>9</u>	<u>10</u>	<u>11</u>
<u>Comptrollers' Rept. Total</u>	4992	5572	6230

*Includes Beano, Raffles & Bazaars before January, 1978

**As reported by Comptroller less amount reported by D. of R.

Adjustments to the MRAF Forecast, October 1983

The default multiplicative factors based on Fiscal Year 1983 have been adjusted to reflect collections experience in the 12-month period ending September 30, 1983. Forecast collections are affected as follows:

Alcoholic Beverages	unchanged
Commercial Banks	up 7%
Savings Banks	down 4%
Cigarettes	down 2%
Corporations	unchanged
Deeds	up 21%
Estate and Inheritance	up 1%
Income	up 3%
Insurance	up 4%
Motor Fuel	down 1%
Public Utilities	up 12%
Room Occupancy	down 2%
Regular Sales	up 2%
Meals Sales	up 2%
Motor Vehicle Sales	up 3%
Miscellaneous Dept. of Revenue	down 10%

The processing factor for the personal income tax has two components:

(1) The loss to the state from the increase in the basic exemption for calendar year 1982 (net of the reduction in withholding which went into effect too late to cover it fully) is estimated to be \$16 million in Fiscal Year 1983.

(2) The loss due to the rental deduction, not explicitly forecast by the model, is estimated to be \$54 million, \$57 million, and \$60 million in FY83, FY84, and FY85, respectively.

The processing factors of \$10 million for commercial banks and \$3 million for public utilities in Fiscal Year 1983 represent amounts assumed to be extraordinary settlements of past liabilities.

